

**ST MICHAEL'S CATHOLIC COLLEGE**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**ST MICHAEL'S CATHOLIC COLLEGE**  
**(A Company Limited by Guarantee)**

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**ST MICHAEL'S CATHOLIC COLLEGE**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Marjorie Bannister Monsignor Matthew John Dickens Paul McCallum
<b>Governors</b>	Marjorie Bannister, Chair Felicity Corcoran, Principal & Accounting Officer Hannah Awonuga (appointed 5 January 2021) Janice Babb Bassey Bassey Gainne Bellenie Catherine Bryan Ilaria English Benedicte Gercke Marcin Jagodzinski (appointed 30 January 2021) Anne Luckman Peter McCarthy Peter O'Brion (appointed 25 November 2020) Benjamin Ogden Jaston Rodrigues (appointed 5 February 2021) Tania Rughooputh Mina Golkari Hagh (resigned 29 January 2021)
<b>Company registered number</b>	08160034
<b>Company name</b>	St Michael's Catholic College
<b>Principal and registered office</b>	Llewellyn Street London SE16 4UN
<b>Company secretary</b>	Samantha Dossetter
<b>Senior Management Team</b>	Felicity Corcoran, Principal Charlotte Sayed, Vice Principal Kathleen Sorrell, Vice Principal (resigned 31 August 2021) Joel Arda, Assistant Principal Lisa Casey, Assistant Principal Allan Daly, Assistant Principal Jo Nottage, Assistant Principal (appointed Acting Vice Principal from 1 September 2021) Tania Rughooputh, Assistant Principal Gary Smith, Assistant Principal Stephen Kelly, Assistant Principal Rhianna Horsburgh, Assistant Principal (appointed 1 September 2021) Matthew Ludlow, Assistant Principal (appointed 1 September 2021)

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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<b>Independent auditor</b>	MHA MacIntyre Hudson Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Governors present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Governors' Report and a Directors' Report under company law.

The Academy Trust operates an academy for pupils aged 11 to 18 serving catchment area in Southwark. It had a roll of 922 in the school census on 1 October 2021. The capacity was recently increased to 750 in the age range of 11 to 16 years plus a sixth form of 250 - 300 places to reflect the expansion plans.

**Structure, governance and management**

**a. Constitution**

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Trust deed is the primary governing document of the academy.

The Governors of St Michael's Catholic College are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Michael's Catholic College.

**b. Members' liability**

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

**c. Method of recruitment and appointment or election of Governors**

The management of the Academy Trust is the responsibility of the Governors who are elected and co-opted under the terms of the Academy deed. The Governors are Directors of the charitable company for the purposes of the Companies Act 2006 and Governors for the purposes of charity legislation.

The Governing Body may appoint up to 16 Governors, whose term of office shall be four years, save that this time limit shall not apply to the Principal who shall be treated for all purposes as being an ex officio Governor. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. The Governors who were in office at 31 August 2021 and who served during the year are listed on page 1 of this report.

**d. Policies adopted for the induction and training of Governors**

The training and induction procedures for new Governors will depend on their existing experience. Where necessary induction will include training on educational, legal and financial and safeguarding matters. All new Governors will be given the opportunity of a tour of the school, have the chance to meet with staff and students and are provided with copies of key documents, such as policies, procedures, accounts, budgets, plans and other documents they need to adequately to fulfil their role as Governors. As there is expected to be only a small number of new Governors each year, induction will be carried out informally and will be tailored specifically to the individual. All Governors are required to have a DBS enhanced disclosure.

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**e. Organisational structure**

The Academy Trust's organisational structure consists of three levels: the Members, the Governors, and the Senior Leadership Team (SLT).

The Members meet on an annual basis to receive the annual accounts, note any Governor appointments or re-appointments, and review the overall operation of the Academy Trust.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy Trust, approving major items of expenditure and making senior staff appointments. There is an extensive committee structure reporting into the main Governing Body. This includes Curriculum, Finance and Resources and Welfare committees, which meet in a cycle normally at least three times a year. All have approved terms of reference set out in the Governing Body Standing Orders.

During the year in question the full Governing Body met on 5 occasions-meetings took place remotely due to the COVID-19 pandemic.

The SLT controls the Academy at an executive level, implements the policies laid down by the Governors and reports back to them. Members of the SLT are responsible for developing and implementing College plans which seek to deliver the best possible education for its students within the agreed budget and scheme of delegation approved by the Governing Body. They are responsible for managing the day to day operation of the Academy, specifically staff, facilities and students.

**f. Arrangements for setting pay and remuneration of key management personnel**

The Academy Trust has a pay policy that specifically details Principal and leadership pay scale arrangements. All pay decisions are a reflection of a performance review.

**g. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	4
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Full-time equivalent employee number	4
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**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	2
1%-50%	2
51%-99%	-
100%	-

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**FOR THE YEAR ENDED 31 AUGUST 2021**

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<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
Total cost of facility time	1,599
Total pay bill	6,525,043
Percentage of total pay bill spent on facility time	0.02 %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**h. Related parties and other connected charities and organisations**

The Academy Trust is a strategic partner in the Catholic Teaching Alliance and this includes a group of Primary and Secondary Schools, Sixth Form Colleges in South East London and Kent, and St Mary's University College. The Alliance is key in transforming CPD, research and initial teacher training. The schools are in Southwark, Lewisham, Kent and London. The College also works in partnership with the Southwark Diocese.

The Academy Trust is part of Southwark Schools Learning Partnership (SSLP), a collaboration between local maintained and independent schools based in the London Borough of Southwark, to exchange ideas and good practice and to bring pupils of different schools together to enhance their learning.

The Academy Trust is also on the board of the Elephant Group which is made up of a group of schools in London and representatives from Oxford, Cambridge and Russell Group universities. The focus is to increase applications and offers of places at these universities to the top 1/3 of students in each school through a widening participation programme.

**Objectives and activities**

**a. Objects and aims**

The Academy Trust's objective is set out in its Articles of Association. This is to establish, maintain, manage and develop an Academy Trust offering a broad curriculum with an emphasis on, but in no way limited to, the Humanities. St Michael's Catholic College converted to an Academy Trust on 1 November 2012 and occupies premises formerly owned by the London Borough of Southwark.

In accordance with the Articles of Association the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn and that the curriculum should comply with the substance of the National Curriculum.

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**b. Objectives, strategies and activities**

At St Michael's Catholic College we recognise that there are no limits to a child's potential and our aim is simple; to facilitate academic and personal success by bringing each person to the fullness of life through education within a culture or environment that embraces Gospel and Salesian values - of serving others, respect, tolerance, consistent discipline, loving kindness, reflection, forgiveness and the celebration of success. It is our belief therefore that students grow into mature and responsible adults through following the Salesian principles of RUAH:

- Respect: Recognising and respecting the presence of Christ in every person
- Understanding: Being committed to learning and striving for academic excellence
- Affection: Sustaining high quality relationships as a result of loving kindness and consistent discipline
- Humour: Developing resilience by maintaining a balanced and optimistic approach to life

Our team of well-qualified, dedicated staff work creatively and professionally to ensure that all students flourish and achieve our goal of academic excellence.

We have a progressive approach to developing and delivering our curriculum while we tailor our learning environment to meet the needs of students; providing extra challenge for those who are intellectually gifted and offering learning support for those in need. St Michael's new build facilitates 21st century learning and has excellent facilities and resources to benefit the whole community.

Priorities for 2021-22:

Quality of Education: To ensure that curriculum implementation results in outstanding outcomes for all students and fully embodies the ethos of the Academy Trust.

Behaviour and Attitude: Students highly positive behaviour and attitudes contribute to outstanding outcomes.

Personal Development: The Academy Trust consistently promotes the extensive personal development of students to provide them with a coherent planned and rich range of experiences.

Leadership and Management: The leadership and management of the Academy Trust at every level works to achieve outstanding outcomes and to embed consistency.

**c. Public benefit**

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Achievements and performance**

2021 data has been calculated using a case assessment process in line with government guidance and Ofqual following the cancellation of public examinations by the Government due to the COVID-19 pandemic.

This year's results analysis should also be treated with additional care, especially when comparing to data from previous years. For 2020 and 2021 the Pupil progression numbers have been replaced by N/A as there are no performance measures for those years.

Students study a broad curriculum and Key Stage 4 results are detailed below and summarise the Academy Trust's achievements.

**a. Key performance indicators**

**FFT aspire 2020 Key Stage 4 Performance summary**

<b>KS4</b>	<b>Actual results</b>			<b>Pupil progress</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Number of Pupils / % Matched	128	134	139	98%	N/A	N/A
Attainment / Progress 8 (Overall)	5.3	5.8	5.8	0.52	N/A	N/A
Attainment / Progress 8 (English)	5.9	5.8	5.7	0.74	N/A	N/A
Attainment / Progress 8 (Maths)	4.9	5.4	5.4	0.19	N/A	N/A
Attainment / Progress 8 (Ebacc)	5.4	6.0	6.2	0.73	N/A	N/A
Attainment / Progress 8 (Open)	5.3	5.7	5.8	0.39	N/A	N/A
% English & Maths (Grade 4+)	72%	86%	85%	6%	N/A	N/A
% English & Maths (Grade 5+)	53%	62%	58%	7%	N/A	N/A
% Ebacc (Grade 4+)	56%	69%	69%	31%	N/A	N/A
% Ebacc (Grade 5+)	38%	52%	47%	20%	N/A	N/A
% 5+ GCSEs (Grade 7+)	21%	30%	35%	5%	N/A	N/A
Average entries per pupil	8.4	8.1	8.3	0.1	N/A	N/A
Average entries per pupil (GCSE only)	8.4	8.1	8.3	0.7	N/A	N/A
% pupils taking 3 single sciences	18%	15%	19%	-10%	N/A	N/A

Key Stage 5 results are detailed below and summarise the Academy's achievement.

**FFT aspire 2020 Key Stage 5 Performance summary**

<b>KS5</b>	<b>Actual results</b>			<b>Pupil progress</b>		
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Number of Pupils / % Matched	73	67	97	99%	N/A	N/A
Average Points Score (A-level)	31.3	37.6	42.3	-0.9	N/A	N/A
Average Grade (A-level)	C	B-	B+	-0.1	N/A	N/A
%A*-A (A-level)	16%	26%	44%	2%	N/A	N/A
%A*-B (A-level)	35%	59%	78%	-6%	N/A	N/A
%A*-C (A-level)	68%	86%	93%	-6%	N/A	N/A
%A*-E (A-level)	99%	100%	99%	1%	N/A	N/A
Average Point Score (best 3 A levels)	30.7	36.7	42.8	0.8	N/A	N/A
% A levels AAB or higher (2+ facilitating subjects)	4%	12%	25%	-3%	N/A	N/A
% 3 A Levels A*-A or higher	2%	6%	23%	-3%	N/A	N/A
% 3 A Levels AAB or higher	11%	22%	33%	1%	N/A	N/A

In addition to the examination results listed above the following statistics are considered to be the Academy Trust's key performance indicators.

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**School Absence\***

	Number of pupils	% Authorised absence	% Unauthorised absence	%Total absence
All pupils	924	2.89	0.97	3.86%

\*2 terms only. Attendance was not required to be recorded by the DfE during the January to March 2021 lockdown and not part of the census so there is no record. Attendance has been affected by the COVID-19 pandemic.

**b. Going concern**

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**Financial review**

**a. Reserves policy**

At 31 August 2021 the total funds comprised restricted funds of £22,910,750 (2020 - £24,048,745) analysed into restricted fixed assets funds £24,816,478 (2020 - £25,404,156), GAG £832,272 (2020 - £868,589) and the pension reserve deficit of £2,738,000 (2020 - £2,224,000). Unrestricted reserves total £100,340 (2020 - £94,005).

The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are the 'free reserves', for use on the general purposes of the Academy Trust at the discretion of the Governors. The aim of the Governors is to utilise this reserve to meet future capital requirement and to work on identified projects that once implemented are self-sustaining.

The deficit on the pension reserve relates to the non-teaching staff, where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in Note 23. This deficit can be met in the longer term from any combination of increased employer and employee contributions, increased government funding or changes to scheme benefits.

**b. Investment policy**

During the year the Academy Trust held all its liquid funds in an interest bearing account at a major UK clearing bank with an A1, P1 short-term credit rating. There are no plans to generate a higher return on any future cash balances unless this can be achieved without increasing counterparty credit risk.

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**c. Principal risks and uncertainties**

As with all schools/providers of education, the principal risks facing the Academy Trust are:

Reputational risk - mitigated by maintaining good relations with local stakeholders, improving standards in learning and behaviour, and providing a broad-based and relevant curriculum.

Performance risk - mitigated by monitoring each student's progress at each Key Stage and providing additional resources as necessary.

Financial risk - the principal risks here are a reduction in student numbers, reductions in central government funding, unbudgeted increases in teaching or support staff costs or unbudgeted major capital repairs. The risks here are mitigated by careful budget planning and monitoring and by holding sufficient reserves to cover challenging financial circumstances.

Risks associated with personnel - mitigated by ensuring that the school has correct recruitment and performance management procedures, and that all staff are supported, motivated and valued.

Risks associated with COVID-19.

**Fundraising**

Members of the Senior Leadership Team (SLT) with the Principal's approval organise and coordinate fundraising activities on behalf of selected charities. The Academy Trust does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

All fundraising activities are overseen by the Senior Leadership Team (SLT) that ensures:

- 1) Fundraising activities for charities are communicated in advance to all parties.
- 2) They brief the fundraisers in advance to ensure compliance with the code of fundraising practice.
- 3) All funds raised for a particular cause will be used for that particular cause.
- 4) Protection of vulnerable people and others from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising.

The Academy Trust also operates a Governors fund which is not part of the Academy Trust budget but it helps towards school trips and educational activities both generally and for individual families. We ask for a contribution of £15 for each single student and £30 for two or more students in the same family within the school each year. The contribution is voluntarily and the payments are made electronically and would go directly to the Governors fund account.

**Plans for future periods**

The key strategic priorities for future years are:

- To maintain outstanding outcomes for all students.
- To sustain excellent results at Ofsted and section 48 Inspection.
- To preserve all that is outstanding and authentically Catholic as we complete the expansion of KS3 and the sixth form growth.
- To explore and agree the Academy Trust response in relation to the Diocese and Department of Education Multi Academy Trust agenda.

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**GOVERNORS' REPORT**  
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**Funds held as custodian on behalf of others**

At the year end the Academy Trust was holding funds of £97,253 (2020 - £41,666) on behalf of the Catholic Teaching Alliance. These funds are included within other creditors.

**Disclosure of information to auditor**

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' Report was approved by order of the Board of Governors, as the company Directors, and signed on its behalf by:



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**Marjorie Bannister**  
Chair of Governors  
Date: 25 November 2021

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Scope of responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that St Michael's Catholic College has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Governors has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Michael's Catholic College and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Hannah Awonuga	2	3
Janice Babb	5	5
Marjorie Bannister	5	5
Bassey Bassey	5	5
Grainne Bellenie	5	5
Anthony Boakye-Ansah	1	1
Catherine Bryan	4	5
Felicity Corcoran	5	5
Ilaria English	2	5
Benedicte Gercke	4	5
Mina Golkari Hagh	1	2
Marcin Jagodzinski	3	3
Anne Luckman	4	5
Peter McCarthy	4	5
Peter O'Broin	2	3
Ben Ogden	3	5
Jaston Rodrigues	3	3
Tania Rughooputh	4	5

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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There were no significant changes in the composition of the Governors during the year. They had a broad coverage of work during the year which focused in particular on quality and curriculum issues.

The main change during 2020-21 was the appointment of a Foundation Governor with finance skills that is participating in the Finance and Resources Committee.

The skills audit was last conducted in 2017-18. There has been a stable Governing body and it was felt that there was no need to repeat the skills audit at the current time.

In September 2019 a decision was taken to move from the NGA (National Governance Association) Code of Conduct to the CES (Catholic Education Service) Code of Conduct model to reflect the Catholicity of the School.

The Board has not carried out a self-evaluation. Focus for the year was to support the Academy Trust during the COVID-19 pandemic.

Governors had only remote meetings which has been working well and effectively, with high attendance from Governors. A remote governance plan was put into place since the first lockdown in March 2020 to enable Governors to carry out their responsibilities and support the Academy Trust.

The Finance and Resources Committee is a sub-committee of the main board of Governors. Its purpose is to ensure that the Academy's finances and resources are managed responsibly, paying particular attention to planning, monitoring and financial probity.

This Committee contributes to the formulation of the School Development Plan through consideration of financial proposals and priorities within the stated and agreed aims and objectives of the Academy. The main agenda items during the year included monitoring and evaluation of the revenue income and expenditure, consideration and approval of spending proposals from other Committees, review of contracts, consideration of audit reports and endorsement of policy and process.

Attendance during the year at meetings was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Marjorie Bannister	5	5
Felicity Corcoran	5	5
Ilaria English	0	5
Benedicte Gercke	4	5
Ben Ogden	4	5
Jaston Rodrigues	3	3

**GOVERNANCE STATEMENT**  
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**Review of value for money**

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

**Improving educational results:**

- St Michael's Catholic College regularly reviews its staffing structure on an annual basis to meet the needs of both the sixth Form and years 7 to 11. It is heavily involved in capital funding for excellence.
- Overstaffing to meet the needs of curriculum recovery and catch-up.
- The increase of an additional class in years 7 to 9 continues to incur increased staffing costs and all teaching appointments include fully qualified teachers.
- Throughout the year the Academy Trust provides extra support for all students at KS4 and 5 through after school study clubs, all day Saturday Schools and revision classes for every holiday.
- The Academy Trust was awarded the Transforming in Principled Curriculum accreditation by SSAT in November 2020. This recognises the work the college has done to ensure the curriculum is broad, balanced and supports students to raise their potential.
- The Academy Trust has been judged outstanding twice, both in March 2011 and July 2013 and the inspectors thought the Academy Trust provided outstanding value for money.
- To ensure our continued improvement the Academy organises external evaluation through working in Partnership with Bonus Pastor and St Ursula's schools and participants and undertakes peer reviews through the London South Teaching School Hub.

**New initiatives:**

- Pupil premium, recovery and catch-up monies have been allocated to optimal effect. See website.
- Partnerships with Grant Thornton, Ince and Co, Bloomberg, PWC, Prudential and Kings College are also used to drive up standards through a collaborative approach to education.
- The Academy Trust's governance arrangements include regular monitoring by the Governing Body and its committees, including Finance and Resources, Curriculum Community and Standards Committee and Welfare Committee.
- Financial controls include the Governing Body approving a Scheme of Financial Delegation which clearly sets out the levels of delegated authority and requirements for the Finance Staff.
- The Finance and Resources Trustees and Accounting Officer meet regularly every half term to discuss financial procedures and protocols and value for money. Each meeting is provided with management accounts for monitoring purposes.
- The Accounting Officer is consistently held to account by the Academy Trust's Governors for financial decisions.
- MHA Macintyre Hudson has just completed a full financial audit and advises the Academy Business Manager on a regular basis.
- The Responsible Officer audit reviews key systems and procedures and presents a report to the Resources Committee.
- An annual budget is agreed by the Resources Committee which sets out clear lines of accountability. Budget holders receive regular budget monitoring reports.
- The Academy Trust has clear budget headings and defined spending amounts. All services and contracts are negotiated and this ensures that fitness for purpose is obtained. We purchase good quality products in order that they have a longer time life but also consider overall value for money.

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- The Academy Financial Procedures have clear guidelines outlining the way we select goods and services to display good value for money. Each member of staff is aware of the cost of the resources and the budget they are spending against. The Academy Trust also views alternative purchasing options online to find best value for smaller purchases.
- Benchmarking has taken place with other convertor academies that have a similar level of funding to compare Income per pupil, staff cost per pupil, education costs per pupil and premises cost per pupil.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in St Michael's Catholic College for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

**Capacity to handle risk**

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**The risk and control framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Governors has decided to buy-in an internal audit service from Juniper Education to carry on the programme of internal scrutiny.

**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Testing of Financial Governance
- Testing of Banking (bank reconciliations and authorisation levels)
- Testing of Payroll
- Testing of Income
- Testing of Assets
- Testing of Procurement

On a semi-annual basis the auditor reports to the Board of Governors and risk committee on the operation of the systems of control and discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations, and conclusions to help the committee consider actions and assess year on year progress.

The auditor has delivered their schedule of work as planned, and no material internal control weaknesses were identified.

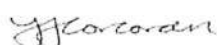
**Review of effectiveness**

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the school control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Governors and signed on their behalf by:



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**Felicity Corcoran**  
Chair of Governors  
Date: 25 November 2021



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**Marjorie Bannister**  
Accounting Officer


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of St Michael's Catholic College I have considered my responsibility to notify the Academy Trust's Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust's Board of Governors are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and ESFA.



.....  
**Felicity Cororan**

Accounting Officer

Date: 25 November 2021

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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The Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Members of the Board of Governors and signed on its behalf by:



.....  
**Marjorie Bannister**  
Chair of Governors  
Date: 25 November 2021

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MICHAEL'S CATHOLIC COLLEGE**

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**Opinion**

We have audited the financial statements of St Michael's Catholic College (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

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**ST MICHAEL'S CATHOLIC COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MICHAEL'S CATHOLIC COLLEGE (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Governors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**ST MICHAEL'S CATHOLIC COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MICHAEL'S CATHOLIC COLLEGE (CONTINUED)**

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**Responsibilities of Governors**

As explained more fully in the Statement of Governors' Responsibilities, the Governors (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MICHAEL'S CATHOLIC COLLEGE (CONTINUED)**

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management about any instances of non-compliance with laws and regulations;
- Reviewing the control systems in place and testing the effectiveness of the controls;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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**ST MICHAEL'S CATHOLIC COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MICHAEL'S CATHOLIC COLLEGE (CONTINUED)**

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**Use of our report**

This report is made solely to the Academy Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's Members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Rakesh Shaunak FCA (Senior Statutory Auditor)**  
for and on behalf of  
**MHA MacIntyre Hudson**  
Statutory Auditor  
London, United Kingdom

Date: 15 December 2021

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**ST MICHAEL'S CATHOLIC COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MICHAEL'S CATHOLIC COLLEGE AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 17 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Michael's Catholic College during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Michael's Catholic College and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Michael's Catholic College and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Michael's Catholic College and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of St Michael's Catholic College's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of St Michael's Catholic College's funding agreement with the Secretary of State for Education dated 26 March 2019 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**ST MICHAEL'S CATHOLIC COLLEGE**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MICHAEL'S CATHOLIC COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- consideration of governance issues; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
**MHA MacIntyre Hudson**  
Statutory Auditor  
London, United Kingdom

Date: 15 December 2021

**ST MICHAEL'S CATHOLIC COLLEGE**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted general funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>						
Donations and capital grants	4	5,320	-	97,970	103,290	30,871
Investments	6	462	-	-	462	4,375
Charitable activities	5	13,807	7,631,435	-	7,645,242	7,241,887
<b>Total income</b>		<b>19,589</b>	<b>7,631,435</b>	<b>97,970</b>	<b>7,748,994</b>	<b>7,277,133</b>
<b>Expenditure on:</b>						
Charitable activities	8,9	13,254	8,025,551	690,849	8,729,654	8,315,593
<b>Total expenditure</b>	7	<b>13,254</b>	<b>8,025,551</b>	<b>690,849</b>	<b>8,729,654</b>	<b>8,315,593</b>
<b>Net income/ (expenditure)</b>		<b>6,335</b>	<b>(394,116)</b>	<b>(592,879)</b>	<b>(980,660)</b>	<b>(1,038,460)</b>
Transfers between funds	17	-	(5,201)	5,201	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>6,335</b>	<b>(399,317)</b>	<b>(587,678)</b>	<b>(980,660)</b>	<b>(1,038,460)</b>
Actuarial losses on defined benefit pension schemes	23	-	(151,000)	-	(151,000)	(329,000)
<b>Net movement in funds</b>		<b>6,335</b>	<b>(550,317)</b>	<b>(587,678)</b>	<b>(1,131,660)</b>	<b>(1,367,460)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		94,005	(1,355,411)	25,404,156	24,142,750	25,510,210
Net movement in funds		6,335	(550,317)	(587,678)	(1,131,660)	(1,367,460)
<b>Total funds carried forward</b>		<b>100,340</b>	<b>(1,905,728)</b>	<b>24,816,478</b>	<b>23,011,090</b>	<b>24,142,750</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 56 form part of these financial statements.

**ST MICHAEL'S CATHOLIC COLLEGE**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08160034**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	24,816,478	25,255,139
		<u>24,816,478</u>	<u>25,255,139</u>
<b>Current assets</b>			
Debtors	15	305,288	204,495
Cash at bank and in hand	21	1,104,631	1,248,384
		<u>1,409,919</u>	<u>1,452,879</u>
Creditors: amounts falling due within one year	16	(477,307)	(341,268)
<b>Net current assets</b>		<u>932,612</u>	<u>1,111,611</u>
<b>Total assets less current liabilities</b>		<u>25,749,090</u>	<u>26,366,750</u>
Defined benefit pension scheme liability	23	(2,738,000)	(2,224,000)
<b>Total net assets</b>		<u><u>23,011,090</u></u>	<u><u>24,142,750</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Restricted fixed asset funds	17	24,816,478	25,404,156
Restricted general funds	17	832,272	868,589
		<u>25,648,750</u>	<u>26,272,745</u>
Restricted funds excluding pension asset	17	25,648,750	26,272,745
Restricted general funds - Pension reserve	17	(2,738,000)	(2,224,000)
<b>Total restricted funds</b>	17	<u>22,910,750</u>	<u>24,048,745</u>
<b>Unrestricted funds</b>	17	<u>100,340</u>	<u>94,005</u>
<b>Total funds</b>		<u><u>23,011,090</u></u>	<u><u>24,142,750</u></u>

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**ST MICHAEL'S CATHOLIC COLLEGE**  
(A Company Limited by Guarantee)  
REGISTERED NUMBER: 08160034

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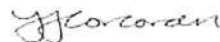
**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

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The financial statements on pages 25 to 56 were approved and authorised for issue by the Governors and are signed on their behalf, by:



.....  
**Marjorie Bannister**  
Chair of Governors  
Date: 25 November 2021



.....  
**Felicity Corcoran**  
Accounting Officer

The notes on pages 29 to 56 form part of these financial statements.

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**ST MICHAEL'S CATHOLIC COLLEGE**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	<b>10,196</b>	<b>(289,479)</b>
<b>Cash flows from investing activities</b>	20	<b>(153,949)</b>	<b>(341,664)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(143,753)</b>	<b>(631,143)</b>
Cash and cash equivalents at the beginning of the year		<b>1,248,384</b>	<b>1,879,527</b>
<b>Cash and cash equivalents at the end of the year</b>	21, 22	<b><u>1,104,631</u></b>	<b><u>1,248,384</u></b>

The notes on pages 29 to 56 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. General information**

St Michael's Catholic College is a company limited by guarantee, incorporated in England and Wales.

The address of the registered office and principal place of operation are detailed on page 1.

The nature of the Academy Trust's operations and principal activity are detailed in the Governors' Report.

**2. Accounting policies**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

**2.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the Academy Trust and are rounded to the nearest pound.

St Michael's Catholic College meets the definition of a public benefit entity under FRS 102.

**2.2 Going concern**

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.3 Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.6 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**2.7 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 40 years straight line
Furniture and equipment	- 10 years straight line
Computer equipment	- 6 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**2.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.9 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.10 Liabilities**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.11 Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**2.12 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 15. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in Note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**2. Accounting policies (continued)**

**2.13 Pensions**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to net income/ (expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**2.14 Agency arrangements**

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the accounting period then an amount will be included as Amounts due to the ESFA, within Creditors: Amounts falling due within one year.

The Academy Trust also acts as an agent for the Catholic Teaching Alliance

**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Accounting policies (continued)**

**2.15 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**3. Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Governors consider there to be no critical areas of judgement that effect the amounts recognised in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

4. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	5,320	-	5,320
Donated fixed assets	-	77,863	77,863
Capital grants	-	20,107	20,107
<b>Total 2021</b>	<b>5,320</b>	<b>97,970</b>	<b>103,290</b>

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	11,425	-	11,425
Capital grants	-	19,446	19,446
<b>Total 2020</b>	<b>11,425</b>	<b>19,446</b>	<b>30,871</b>

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**5. Charitable activities - Funding for the Academy Trust's educational operations**

	Unrestricted funds 2021 £	Restricted general funds 2021 £	Total funds 2021 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	6,548,742	6,548,742
Other DfE/ESFA grants			
Pupil Premium	-	311,793	311,793
Rates Relief	-	63,308	63,308
Free School Meal Supplementary Grant	-	11,250	11,250
Teachers' Pay Grant	-	344,976	344,976
	-	7,280,069	7,280,069
<b>Other Government grants</b>			
Local Authority revenue grants	-	228,253	228,253
Other Government revenue grants	-	108,779	108,779
	-	337,032	337,032
<b>Other income from the Academy Trust's educational operations</b>	13,807	14,334	28,141
<b>Total 2021</b>	13,807	7,631,435	7,645,242

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

5. Charitable activities - Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Total funds 2020 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	6,187,660	6,187,660
Other DfE/ESFA grants			
Pupil Premium	-	271,505	271,505
Rates Relief	-	63,308	63,308
Free School Meal Supplementary Grant	-	6,160	6,160
Year 7 Catch Up Grant	-	6,263	6,263
Teachers' Pay Grant	-	333,630	333,630
Other DfE Group grants	-	11,625	11,625
	-	6,880,151	6,880,151
<b>Other Government grants</b>			
Local Authority revenue grants	-	200,771	200,771
	-	200,771	200,771
<b>Other income from the Academy Trust's educational operations</b>	7,938	153,027	160,965
<b>Total 2020</b>	<b>7,938</b>	<b>7,233,949</b>	<b>7,241,887</b>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Rates Relief, Free School Meal Supplementary Grant, Year 7 Catch Up Grant and Teachers' Pay Grant is no longer reported under the Other DfE/ESFA revenue grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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**ST MICHAEL'S CATHOLIC COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**6. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Bank interest receivable	<u>462</u>	<u>462</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest receivable	<u>4,375</u>	<u>4,375</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

7. Total expenditure

	Staff costs 2021 £	Premises costs 2021 £	Other costs 2021 £	Total 2021 £
<b>Educational operations:</b>				
Direct costs	5,843,226	-	420,941	6,264,167
Allocated support costs	1,065,111	273,247	1,127,129	2,465,487
<b>Total 2021</b>	<b>6,908,337</b>	<b>273,247</b>	<b>1,548,070</b>	<b>8,729,654</b>
	As restated Staff costs 2020 £	Premises costs 2020 £	Other costs 2020 £	Total 2020 £
<b>Educational operations:</b>				
Direct costs	5,617,096	-	382,657	5,999,753
Allocated support costs	985,248	254,251	1,076,341	2,315,840
<b>Total 2020</b>	<b>6,602,344</b>	<b>254,251</b>	<b>1,458,998</b>	<b>8,315,593</b>

A comparative restatement has been made to agree the total staff costs to the comparatives in Notes 9 and 11. This has increased direct staff costs from £5,587,096 to £5,617,096 and decreased direct other costs from £412,657 to £382,657. It has also increased support staff costs from £955,248 to £985,248 and decreased support other costs from £1,106,341 to £1,076,341. This restatement had no impact on the net movement in funds for the year ended 31 August 2020, nor did it impact the funds held at 31 August 2020.

**ST MICHAEL'S CATHOLIC COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Analysis of expenditure on charitable activities - by fund**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Educational operations	13,254	8,716,400	8,729,654

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Educational operations	1,505	8,314,088	8,315,593

**9. Analysis of expenditure on charitable activities - by type**

	<b>Activities undertaken directly 2021 £</b>	<b>Support costs 2021 £</b>	<b>Total funds 2021 £</b>
Educational operations	6,264,167	2,465,487	8,729,654

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational operations	5,999,753	2,315,840	8,315,593

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

9. Analysis of expenditure on charitable activities - by type (continued)

Analysis of support costs

	Total funds 2021 £	As restated Total funds 2020 £
Defined benefit pension scheme finance costs	35,000	30,000
Staff costs	1,030,111	955,248
Depreciation	690,849	687,723
Technology costs	118,612	128,215
Premises costs	273,247	254,251
Other costs	289,157	235,927
Governance costs	12,150	13,860
Legal costs	16,361	10,616
	<u>2,465,487</u>	<u>2,315,840</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	10,890	11,142
Depreciation of tangible fixed assets	690,849	687,723
Fees paid to auditor for:		
- Audit of the financial statements	7,500	9,450
- Other services	2,950	2,500
	<u>701,289</u>	<u>709,815</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,962,384	4,791,328
Social security costs	548,333	529,573
Pension costs	1,342,328	1,231,603
	<u>6,853,045</u>	<u>6,552,504</u>
Agency staff costs	20,292	19,840
Defined benefit pension scheme finance cost	35,000	30,000
	<u>6,908,337</u>	<u>6,602,344</u>

b. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2021 No.	2020 No.
Management	10	10
Teachers	74	74
Administration and support	38	35
	<u>122</u>	<u>119</u>

NOTES TO THE FINANCIAL STATEMENTS  
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11. Staff (continued)

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	6	3
In the band £70,001 - £80,000	3	4
In the band £80,001 - £90,000	2	1
In the band £100,001 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2021 pension contributions for these staff amounted to £160,163 (2020 - £147,466).

d. Key Management Personnel

The Key Management Personnel of the Academy Trust comprise the Governors and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £1,007,862 (2020 - £994,466). The Academy Trust considered 10 (2020 - 10) members of staff to be Key Management Personnel.

12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2021 £	2020 £
Felicity Corcoran, Principal	Remuneration	105,000 - 110,000	90,000 - 95,000
	Pension contributions paid	25,000 - 30,000	15,000 - 20,000
Tania Rughooputh, Staff Governor	Remuneration	70,000 - 75,000	60,000 - 65,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000
Peter McCarthy, Staff Governor	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2021, no Governor expenses have been incurred (2020 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

13. Governors' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2020	27,959,006	575,084	792,324	29,326,414
Additions	110,300	9,079	133,002	252,381
Disposals	-	-	(3,471)	(3,471)
At 31 August 2021	28,069,306	584,163	921,855	29,575,324
<b>Depreciation</b>				
At 1 September 2020	3,189,246	344,656	537,373	4,071,275
Charge for the year	528,559	57,849	104,441	690,849
On disposals	-	-	(3,278)	(3,278)
At 31 August 2021	3,717,805	402,505	638,536	4,758,846
<b>Net book value</b>				
At 31 August 2021	24,351,501	181,658	283,319	24,816,478
At 31 August 2020	24,769,760	230,428	254,951	25,255,139

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**15. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Other debtors	46,606	39,089
Prepayments and accrued income	258,682	165,406
	<u>305,288</u>	<u>204,495</u>

**16. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	106,256	55,477
Other taxation and social security	144,944	130,255
Other creditors	100,505	41,717
Accruals and deferred income	125,602	113,819
	<u>477,307</u>	<u>341,268</u>

	2021 £	2020 £
<b>Deferred income</b>		
Deferred income at 1 September	21,764	51,422
Resources deferred during the year	59,764	21,764
Amounts released from previous periods	(21,764)	(51,422)
<b>Deferred income at 31 August</b>	<u>59,764</u>	<u>21,764</u>

At the Balance Sheet date, the Academy Trust was holding funds received in advance for:

- Local Authority revenue grants;
- School trips; and
- Fees for educational materials.

**ST MICHAEL'S CATHOLIC COLLEGE**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**17. Statement of funds**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
<b>Unrestricted funds</b>						
General funds	94,005	19,589	(13,254)	-	-	100,340
<b>Restricted general funds</b>						
General Annual Grant (GAG)	868,589	6,548,742	(6,579,858)	(5,201)	-	832,272
Pupil Premium	-	311,793	(311,793)	-	-	-
Other DfE / ESFA revenue grants	-	419,534	(419,534)	-	-	-
Local Authority revenue grants	-	228,253	(228,253)	-	-	-
Other Government revenue grants	-	108,779	(108,779)	-	-	-
Other Educational income	-	14,334	(14,334)	-	-	-
Pension reserve	(2,224,000)	-	(363,000)	-	(151,000)	(2,738,000)
	(1,355,411)	7,631,435	(8,025,551)	(5,201)	(151,000)	(1,905,728)
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	25,255,139	77,863	(690,849)	174,325	-	24,816,478
DfE / ESFA capital grants	149,017	20,107	-	(169,124)	-	-
	25,404,156	97,970	(690,849)	5,201	-	24,816,478
<b>Total Restricted funds</b>	24,048,745	7,729,405	(8,716,400)	-	(151,000)	22,910,750
<b>Total funds</b>	24,142,750	7,748,994	(8,729,654)	-	(151,000)	23,011,090

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**17. Statement of funds (continued)**

The specific purposes for which the funds are to be applied are as follows:

The General fund represents the income and expenditure for which no fund restrictions apply.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund represents the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE/ESFA revenue grants fund represents the restricted funding received from the DfE/ESFA for specific purposes.

The Local Authority revenue grants fund has been set up to recognise the income received from the local council as a contribution towards the cost of the Academy Trust's revenue expenditure.

The Other Government revenue grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other Educational income fund has been established to recognise all other restricted funding that cannot be classified above but falls inside the scope of its core activities.

The Pension reserve fund has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust status, and through which all the pension scheme movements are recognised.

The NBV of fixed assets fund has been set up to recognise the tangible assets held by the school and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE / ESFA capital grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of fixed assets fund.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Statement of funds (continued)**

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
<b>Unrestricted funds</b>						
General funds	71,772	23,738	(1,505)	-	-	94,005
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,038,493	6,187,660	(6,327,076)	-	-	868,589
Pupil Premium	-	271,505	(271,505)	-	-	-
Other DfE / ESFA revenue grants	-	420,986	(420,986)	-	-	-
Local Authority revenue grants	-	200,771	(200,771)	-	-	-
Other Educational income	-	153,027	(153,027)	-	-	-
Pension reserve	(1,642,000)	-	(253,000)	-	(329,000)	(2,224,000)
	<u>(603,507)</u>	<u>7,233,949</u>	<u>(7,626,365)</u>	<u>-</u>	<u>(329,000)</u>	<u>(1,355,411)</u>
<b>Restricted fixed asset funds</b>						
NBV of fixed assets	25,577,377	-	(687,723)	365,485	-	25,255,139
DfE / ESFA capital grants	464,568	19,446	-	(334,997)	-	149,017
	<u>26,041,945</u>	<u>19,446</u>	<u>(687,723)</u>	<u>30,488</u>	<u>-</u>	<u>25,404,156</u>
<b>Total Restricted funds</b>	<u>25,438,438</u>	<u>7,253,395</u>	<u>(8,314,088)</u>	<u>30,488</u>	<u>(329,000)</u>	<u>24,048,745</u>
<b>Total funds</b>	<u><u>25,510,210</u></u>	<u><u>7,277,133</u></u>	<u><u>(8,315,593)</u></u>	<u><u>30,488</u></u>	<u><u>(329,000)</u></u>	<u><u>24,142,750</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted general funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	24,816,478	24,816,478
Current assets	100,340	1,309,579	-	1,409,919
Creditors due within one year	-	(477,307)	-	(477,307)
Defined benefit pension scheme liability	-	(2,738,000)	-	(2,738,000)
<b>Total</b>	<b>100,340</b>	<b>(1,905,728)</b>	<b>24,816,478</b>	<b>23,011,090</b>

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted general funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	25,255,139	25,255,139
Current assets	94,005	1,209,857	149,017	1,452,879
Creditors due within one year	-	(341,268)	-	(341,268)
Defined benefit pension scheme liability	-	(2,224,000)	-	(2,224,000)
<b>Total</b>	<b>94,005</b>	<b>(1,355,411)</b>	<b>25,404,156</b>	<b>24,142,750</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

19. Reconciliation of net expenditure to net cash flow from operating activities

		2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)		(980,660)	(1,038,460)
<b>Adjustments for:</b>			
Depreciation	14	690,849	687,723
Capital grants from DfE and other capital income	4	(97,970)	(19,446)
Investment income	6	(462)	(4,375)
Defined benefit pension scheme cost less contributions payable	23	324,000	223,000
Defined benefit pension scheme finance cost	23	35,000	30,000
Defined benefit pension scheme administrative expenses	23	4,000	-
(Increase)/decrease in debtors	15	(100,793)	40,624
Increase/(decrease) in creditors	16	136,039	(208,545)
Loss on disposal of tangible fixed assets	14	193	-
<b>Net cash provided by/(used in) operating activities</b>		<b>10,196</b>	<b>(289,479)</b>

20. Cash flows from investing activities

		2021 £	2020 £
Investment income	6	462	4,375
Purchase of tangible fixed assets	14	(174,518)	(365,485)
Capital grants from DfE Group	4	20,107	19,446
<b>Net cash used in investing activities</b>		<b>(153,949)</b>	<b>(341,664)</b>

21. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,104,631	1,248,384
<b>Total cash and cash equivalents</b>	<b>1,104,631</b>	<b>1,248,384</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Analysis of changes in net debt**

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,248,384	(143,753)	1,104,631
	<u>1,248,384</u>	<u>(143,753)</u>	<u>1,104,631</u>

**23. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Pension Fund Authority. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**23. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £881,650 (2020 - £878,354).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £199,000 (2020 - £154,000), of which employer's contributions totalled £137,000 (2020 - £101,000) and employees' contributions totalled £ 62,000 (2020 - £53,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

23. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	2.00	2.00
Rate of increase for pensions in payment/inflation	2.90	2.30
Discount rate for scheme liabilities	1.65	1.60
Inflation assumption (CPI)	2.90	2.30
Commutation of pensions to lump sums	50.00	50.00

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.1	21.3
Females	24.1	24.1
<i>Retiring in 20 years</i>		
Males	22.6	22.7
Females	25.6	25.6

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(139)	(116)
Discount rate -0.1%	142	119
Mortality assumption - 1 year increase	281	175
Mortality assumption - 1 year decrease	(268)	(170)
CPI rate +0.1%	132	111
CPI rate -0.1%	(130)	(109)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

23. Pension commitments (continued)

Share of scheme assets

The Academy Trust's share of the assets in the scheme was:

	2021 £	2020 £
Equities	1,966,000	1,648,000
Target return portfolio	757,000	683,000
Infrastructure	307,000	207,000
Property	292,000	278,000
Cash and other liquid assets	181,000	184,000
<b>Total market value of assets</b>	<b>3,503,000</b>	<b>3,000,000</b>

The actual return on scheme assets was £375,000 (2020 - £267,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	(456,000)	(318,000)
Interest income	49,000	51,000
Interest cost	(84,000)	(81,000)
Administrative expenses	(4,000)	(4,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(495,000)</b>	<b>(352,000)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2021 £	2020 £
<b>At 1 September</b>	<b>5,224,000</b>	<b>4,417,000</b>
Current service cost	456,000	318,000
Interest cost	84,000	81,000
Employee contributions	62,000	52,000
Actuarial losses	477,000	526,000
Benefits paid	-	(170,000)
<b>At 31 August</b>	<b>6,303,000</b>	<b>5,224,000</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

23. Pension commitments (continued)

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2021 £	2020 £
<b>At 1 September</b>	<b>3,000,000</b>	<b>2,775,000</b>
Interest income	49,000	51,000
Actuarial gains	326,000	197,000
Employer contributions	132,000	99,000
Employee contributions	62,000	52,000
Benefits paid	(62,000)	(170,000)
Administrative expenses	(4,000)	(4,000)
<b>At 31 August</b>	<b>3,503,000</b>	<b>3,000,000</b>

Reconciliation of opening to closing defined benefit pension scheme liability

	2021 £	2020 £
Balance brought forward at 1 September	2,224,000	1,642,000
Defined benefit pension scheme cost less contributions payable	324,000	219,000
Defined benefit pension scheme finance cost	35,000	30,000
Administrative expenses	4,000	4,000
Actuarial losses	151,000	329,000
<b>Balance brought forward at 31 August</b>	<b>2,738,000</b>	<b>2,224,000</b>

The amounts recognised in the Balance Sheet are as follows:

	2021 £	2020 £
Present value of the defined benefit obligation	(6,241,000)	(5,224,000)
Fair value of scheme assets	3,503,000	3,000,000
<b>Defined benefit pension scheme liability</b>	<b>(2,738,000)</b>	<b>(2,224,000)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**24. Operating lease commitments**

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	16,209	3,841
Later than 1 year and not later than 5 years	34,136	1,920
	<u>50,345</u>	<u>5,761</u>

**25. Members' liability**

Each Member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

**26. Related party transactions**

No related party transactions took place in the period of account, other than certain governors' remuneration and expenses already disclosed in Note 12.

**27. Agency arrangements**

The Academy Trust administers funds for the Catholic Teaching Alliance. A balance of £97,253 (2020 - £41,666) was held in respect of these funds as at the Balance Sheet date and is included within creditors.

The Academy Trust distributes 16-19 bursary funds as an agent for the ESFA. In the year ended 31 August 2021, the Academy Trust received £21,590 (2020 - £17,272) and disbursed £21,590 (2020 - £17,272) from the fund. There were no undistributed amounts at the year end (2020 -£NIL).