

Company Registration No. 09023802 (England and Wales)



**ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Diocese of Middlesbrough

Rt Rev Bishop T P Draney  
J C Fleming  
M Clarke (deceased 22<sup>nd</sup> November 2021)  
Mgr. G Robinson  
K Duffy, Director of Schools

### Trustees

P A Fearnley ((Chair) Non-Foundation) \*  
L Dyas ((Vice Chair) Non-Foundation) \*  
C Cuthill (Foundation) retired 26<sup>th</sup> November 2021  
J M Davidson (Foundation)\* retired 26<sup>th</sup> November 2021  
A Ward (Foundation) retired 26<sup>th</sup> November 2021  
Father W Massie (Foundation)  
M Gallagher (Foundation)  
R Dex (Foundation)\* retired 31<sup>st</sup> October 2021  
J Sargeant (Non-Foundation)  
G Fitzpatrick (Staff) appointed 14<sup>th</sup> January 2021  
T Davison (Non-Foundation)\* retired 31<sup>st</sup> August 2021  
D Holtby (Foundation) appointed 30<sup>th</sup> September 2021

\*Members - Finance & Assets and Audit & Risk

### Chief Executive Officer

G Fitzpatrick

### Accounting Officer

G Fitzpatrick

### Executive leadership team/senior management team

Chief Executive Officer (Accounting Officer)	G Fitzpatrick
Chief Operating Officer Primary	K Siedle
Head of School Secondary	M Stead
Executive Head of Primary	M Ryan
Director of School Improvement Primary	G Olsson
Director of School Improvement Secondary	D Perry
Chief Financial Officer	S Teasdale

### Company registration number

09023802 (England and Wales)

### Principal and registered office

St Mary's College  
Cranbrook Avenue  
Hull  
HU6 7TN

### Academies operated

Endsleigh Holy Child Voluntary Catholic Academy  
St Mary Queen of Martyrs Voluntary Catholic Academy  
St Richard's Voluntary Catholic Academy  
St Vincent's Voluntary Catholic Academy  
St Charles' Voluntary Catholic Academy  
St Anthony's Voluntary Catholic Academy  
St Thomas More Voluntary Catholic Academy  
St Mary's College Voluntary Catholic Academy

### Location

Hull  
Hull  
Hull  
Hull  
Hull  
Hull  
Hull  
Hull

### Head of School

M Ryan  
C Coldham  
E Cook  
P Donnelly  
K Siedle  
J Eley  
G Shaw  
M Stead

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

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### Independent Auditor

RSM UK Audit LLP  
1st Floor  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

### Bankers

Lloyds Bank  
Hull City Centre Branch  
Grand Buildings  
Jameson Street  
Hull  
HU1 3JX

### Solicitors

Rollits LLP  
Citadel House  
58 High Street  
Hull  
HU1 3JX

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 7 primary academies and 1 secondary academy in Hull. Its academies have a combined pupil capacity of 3,905 (including Nursery and 6<sup>th</sup> Form) and had a roll of 4,032 in the school census in October 2020.

St Cuthbert's Roman Catholic Academy Trust is for pupils aged 3 to 19, in the Diocese of Middlesbrough. The Academy Trust is the Admissions Authority and is responsible for determining the Admission Arrangements, Admissions and administering Independent Appeals. The ethos of St Cuthbert's is built on the traditions of the Roman Catholic Church. All parents applying for a place are asked to respect the ethos and its importance to the Academy Trust community. Applications must be made on the Local Authority Common Application Form. All forms must be returned by the closing date set by the Local Authority. Any applications received after the closing date will be accepted but considered only after those received by the closing date. Where there are insufficient places available to meet all parental preferences, priority will be given to applications in line with the over subscription criteria which can be found on each school's website. The admissions over subscription criteria will be applied on an equal preference basis.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Board act as Trustees for the charitable activities of St Cuthbert's Roman Catholic Academy Trust and are also the Directors of the charitable company for the purposes of company law. The charitable company is known as St Cuthbert's Roman Catholic Academy Trust.

Details of the Trustees who served throughout the year, and up to date signing of the accounts, are included in the Reference and Administrative details on page 1.

The Academy Trust operated four primary Academies until 01 October 2017 when the Academy Trust expanded to operate one secondary Academy and seven primary Academies. This has remained unchanged for this reporting period.

- St Mary Queen of Martyrs Voluntary Catholic Academy (P)
- Endsleigh Holy Child Voluntary Catholic Academy (P)
- St Vincent's Voluntary Catholic Academy (P)
- St Richard's Voluntary Catholic Academy (P)
- St Mary's College Voluntary Catholic Academy (S) as from 01 October 2017
- St Anthony's Voluntary Catholic Academy (P) as from 01 October 2017
- St Thomas More Voluntary Catholic Academy (P) as from 01 October 2017
- St Charles' Voluntary Catholic Academy (P) as from 01 October 2017

(P) = primary school

(S) = secondary school

#### 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.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Trustees' Indemnities

The Academy Trust through its Articles has fully indemnified its Trustees to the fullest extent permissible by law. During the period, the Academy Trust has also purchased and maintained liability insurance for its Trustees. The insurance provides cover up to £10,000,000 on any one claim.

### Method of Recruitment and Appointment or Election of Trustees

The Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Academy Trust shall have the following Directors being not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. Non-foundation Directors are appointed or removed by the Foundation Directors.

Foundation Directors are appointed or removed by the Bishop and should always exceed the number of Non-foundation Directors by a minimum of two.

### Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for the new Trustees will depend on their existing experience and the Diocesan Skills Audit to ensure that all essential skills are covered by the Board and training provided as required. Where necessary induction will provide training on charity, education, safeguarding, legal and financial matters. All training needs will be coordinated by the professional governance service in conjunction with accredited governor training providers and expert legal and financial partners. All new Trustees will meet with the CEO and also be given a tour of the Academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as a Trustee.

As there are normally only one or two new Trustees a year, induction is specifically tailored to the individual.

### Organisational Structure

The Governance / Leadership of the Trust has five levels:

1. The Members
2. The Board of Trustees
3. Local Cluster Boards
4. Executive Leadership Team
5. Individual Academy Senior Leadership Teams.

The aim of this structure is to ensure that decisions are made with appropriate involvement at the right level. The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for standards, finance, audit, staffing and estate. The Trust has a Finance and Assets Committee and an Audit and Risk Committee to support all obligations and responsibilities outlined in The Academy Trust Handbook.

The Trustees are responsible for shaping general policy; setting an annual budget plan aligned to the agreed Trust priorities; monitoring the Trust by use of results and budgets; managing risk and providing assurance; capital expenditure; making major decisions about the Executive Leadership of the Trust and Senior Leadership appointments.

The Local Cluster Boards are sub-committee bodies to the Trust Board. They have delegated responsibilities for the Catholic Life of the School and Safeguarding.

The Executive Leadership Team comprises the Chief Executive Officer (CEO), Chief Operating Officer Primary (COO P), Head of School Secondary (HoS S), Executive Primary Head, School Improvement Leaders and Chief Financial Officer (CFO). They are responsible for the operational aspects of running the Trust including the authorisation of spending within agreed budgets and according to delegated authorities and the appointment of staff with the exception of reserved posts.

The Chief Executive Officer is the Accounting Officer.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### Arrangements for Setting Pay and Remuneration of Key Management Personnel

The key management personnel identified with the Trust are the Executive Leadership Team as referenced on page 4. The Trust appoints a special Pay Committee to determine the pay ranges for these key positions, in line with any national guidance on executive salary setting, level of responsibility, local context and challenge, any available benchmarking information and current market conditions for competitive recruitment. The CFO has received executive pay setting training delivered by ASCL in 2017, in order to support the Pay Committee and ESFA guidance is followed when setting executive salaries.

Performance management of the CEO, COO P and HoS S is undertaken by an external, independent reviewer to ensure transparency and impartiality.

### Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Academy to publish information on facility time arrangements for trade union officials at the Academy. As a result of the COVID-19 pandemic and the disruption to schools with lockdowns and remote learning, there has been no trade union facility time registered during this year.

#### Relevant union officials

Numbers of employees who were union officials during the relevant period	FTE employee number
5	4.58

#### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4.58
1-50%	-
51-99%	-
100%	-

#### Percentage of pay bill spent on facility time

Total cost of facility time	£0
Total pay bill	£21,336,789
Percentage of total bill spent on facility time	0%

#### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	0%
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### Related Parties and Co-operation with other Organisations

St Cuthbert's Roman Catholic Academy Trust is part of the Diocese of Middlesbrough and works closely with the Director of Schools and all Catholic Academies within the Diocese. The Trust continues to work with all potential feeder primary schools in the local area that are not part of the formal governance arrangement.

Trustees are drawn from the local community and the Diocese, and from time to time it is possible that the Academy will enter into transactions with organisations in which a Trustee has an interest. All such transactions are reflected in the Trusts' Register of Business Interests. These are duly considered by the Trust on a regular basis to ensure that all such transactions are in line with the Academy Trust Handbook guidelines.

The Trust has control of St Mary's College Sports Development Company which was created for the joint purpose of providing high quality sports facilities to St Mary's College and the local community.

In February 2021, St Mary's College was awarded Regional Teaching School Hub status by the Department for Education, providing school leadership and teacher training & development for the region's teachers.

Vantage Teaching School Hub will lead the provision of high-quality professional development to teachers and leaders at all stages of their career and play a key role in helping to support trainee teachers as they enter the workforce.

The teaching workforce will receive best-practice and expert advice from a range of partner teaching schools on how best to engage with pupils, lesson planning, and classroom management, allowing them to improve a broad range of vital teaching skills.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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The teaching school hubs programme is being rolled out across the country, with 81 hubs selected by the Department for Education. St Mary's College is the hub selected for the Hull and East Riding region. Vantage, part of the Trust, will contract with many other schools and colleges across the region and beyond to provide these services.

The Trust continues to work in partnership with Hull Collaborative Academies Trust (HCAT) and is part of the Hull School Centred Initial Teacher Training (Hull SCITT) alongside several other primary, secondary, and special schools in Hull and East Riding.

The Trust is a formative partner of the City's Learning Partnership which acts as the strategic educational forum for the Local Authority, Hull Schools, and other key partners. The Learning Partnership is administrated from within the Trust and has significant impact and influence on educational policy and practice in Hull.

The Trust Board and its Committees meet regularly enough to discharge their responsibilities under their Articles of Association, Funding Agreement, and the Academy Trust Handbook, to ensure robust governance and effective financial management arrangements. Board meetings take place at least three times a year and Finance and Assets and Audit and Risk Committees meet at least six times a year. Business is only conducted when the Board or Committees are quorate.

### Objectives and Activities

#### Objects and Aims

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools designated as such which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any Trust deed governing the use of land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop.

To promote for the benefit of individuals living in the areas served by the academies and the surrounding areas who have need by reason of their age, infirmity or disability, financial hardship, or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the objective of improving the condition of the life of the said individuals.

### Vision Statement

**"Ordinary people - working together - achieving extraordinary things".**

The Trust believes that people have an unbelievable capacity to do great things and aims to provide rich and wide-ranging opportunities for people to achieve more than they ever thought possible.

**The Bishop's Vision is to make Christ known and loved, through the provision of excellent Catholic education and schools' intent on finding Christ in their daily lives and sharing that encounter with others.**

### Values

**EXCELLENCE - AMBITION - PARTNERSHIP - RESPECT - JOY - INTERNATIONAL**

As a Trust, at the heart of our Christian service is to welcome and value each individual as equal, regardless of nationality, gender, race, colour, sexuality, or creed. We pride ourselves on our exceptional standards of personal pastoral care, rooted in our Christian tradition and values of kindness, support, peace, justice, forgiveness, and joy. Our outlook and ambition is international and inclusive.

### Mission

World Class Experience - World Class Thinking - World Class Achieving

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Strategic Priorities

#### *All schools are committed to becoming system leading centres of excellence*

- All students receive a broad, progressive, and ambitious curriculum which enables and empowers
- Students have high aspirations, know how to achieve them and are given the opportunity to do so.

#### *Working towards a greener and more sustainable future*

- We will demonstrate our Trust's commitment to care for our common home
- Students will be effectively prepared to contribute to social and economic progress required to build a sustainable future

#### *Developing a Trust culture and standard, whilst respecting the unique history, context, and character in each of our family of schools*

- Our schools should be the centres of choice for the communities they serve. Central systems support excellent practice
- Our 'world class' vision is shared by all Directors, staff and students and is the platform for profound action

#### *Leadership and workforce development*

- Sustained investment in high quality professional development of staff at all levels
- Strong partnerships are fostered within our schools and with organisations that share our commitment to world class standards

#### *Promote Catholic values and celebrate all that makes a Catholic education distinct*

- Supporting the vulnerable, the disengaged and disenfranchised by removing multiple and complex barriers to learning and success
- Promote the spiritual, moral, academic, and social growth of every individual

#### *Providing high quality financial direction and leadership to secure and sustain the Trust*

- Provide high quality centralised services to allow schools to focus on teaching and learning
- Explore growth opportunities and develop revenue streams to strengthen and sustain the Trust.

**"In every here and now we are ready to express our hope."**



# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Objectives, Strategies and Activities

The Trust has six main strategic priorities for each of its Academies which are listed above and summarised below:

1. All schools are committed to becoming system leading centres of excellence.
2. Working towards a greener and more sustainable future.
3. Developing a Trust culture and standard whilst respecting the unique history, context, and character in each of our family of schools.
4. Leadership and workforce development.
5. Promote Catholic values and celebrate all that makes a Catholic education distinct.
6. Providing high quality financial direction and leadership to secure and sustain the Trust.

### Public Benefit

The Trust provides educational services to children attending its academies. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The primary purpose of St Cuthbert's Roman Catholic Academy Trust is the advancement of education within Catholic schools in Hull. To this end, it now runs eight Academy schools aspiring towards the highest possible standards for 3,913 students aged 3-19. The public good is inextricably linked to this purpose through the provision of educational activities and extracurricular activities to the local communities served. The Academy Trust aims to maximise each student's potential and supports the holistic development of children to maximise their potential now and in the future when they will make a positive contribution to society.

As the financial results and educational outcomes demonstrate, the Trust is both efficient and effective with its use of public money. The Trust recently agreed to expand its secondary school admission numbers from 300 to 360 so that more children in the local authority and beyond could benefit from the high-quality education it provides. This also brought additional capital investment in terms of a centrally funded new building which benefits the environment with its sustainable BREEAM accreditation.

The Trust's leadership make a regular and significant contribution to the shaping and implementation of key local, regional, and national educational strategies such as the city's Learning Partnership, Hull and East Riding Teaching School Hub, National Support Schools and National Leaders in Education.

The Trust schools actively raise funds for worthy causes in the local community and for some nationally accredited charities. Many students are involved in community projects and good deeds throughout the local community.

The Chaplaincy of the Trust supports the neediest in the school community and many in the local community, particularly with their food bank work during the COVID-19 pandemic.

The students and staff of the Trust are very engaged in sustainability issues. The Student Council at St Mary's College is driving a range of sustainability issues to improve and care for the local environment.

In addition, many of the schools offer their facilities for community hire and support community-based activities such as sport, theatre, music, and dance.

### Financial Review

The activities of the Trust resulted in a total deficit for the year of £352,809 (2020: deficit £4,323,424). This is represented by;

- a surplus on the Restricted Fixed Asset Fund of £3,297,275 (2020: deficit £617,151). This fund includes a donation of a building to St. Mary's College valued at £3,985,000 by the Department of Education via the Local Authority
- a deficit on the Restricted General Fund of £3,654,000 (2020: deficit £3,683,000). This is as a result of the movement in the Defined Benefit Pension Scheme liability.
- a surplus on the Unrestricted Fund of £3,916 (2020: deficit £23,273)

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### STRATEGIC REPORT

#### Achievements and Performance

Centralised services in relation to finance, HR, IT and estate are firmly established and have seen major improvements to service quality, financial control and viability.

St Mary's College (SMC) was awarded Teaching School Hub status in February 2021 and was reaccruited with World Class Schools Quality Mark in September 2020. It has operated successfully for nine years in a variety of National Support School activities in the area. Importantly, St Mary's College was reaccruited with International School Status in 2021 as it seeks to develop its strategic ambitions in this regard.

SMC has had executive leadership over another secondary school, The Marvell College, since 2013, and after it was judged "Good" during its last Ofsted inspection in 2019, the leadership of both schools are managing the successful planned withdrawal of SMC in line with original school support plan and contract.

Presently no further expansion of the Trust is planned as all Hull Catholic Schools are included in the Trust. There may be some opportunity for growth in the East Riding in the future, and The Diocese is currently reviewing its own structure.

### COVID-19

The negative financial impact of COVID from 2019-20 was carried forward into this reporting year and it was clear that this was also going to be a challenging year to deliver stable Trust performance across all accountabilities. The focus of the Trust's operations had shifted to planning and implementing a COVID-19 secure environment whilst delivering consistently high-quality education both online for most students and on site for children of key workers and vulnerable students. The Trust was agile and able to respond quickly to the demands of the situation including being one of the first to supply their own free school meals voucher scheme ahead of the national scheme. The Trust took full advantage of the significant investment it had made in IT infrastructure during Summer 2019. This investment enabled an immediate Trust wide on-line curriculum and pastoral response during and beyond lockdown. Progress was impacted by the failure of central government to deliver IT assets in line with those promised, and although skilful adaptation of legacy assets helped deliver support to students most requiring it, a further unplanned financial burden was placed on the Trust to acquire additional devices to support remote education. The Trust committed to the government's lateral flow testing strategy and set up its own clinic to ensure that testing was available in line with national guidance. Central funding was received for some of this initiative, but once again it did not fully cover the provision required.

Last year the Trust reported a slight deficit budget as a result of extraordinary COVID costs not being fully matched by additional government financial support. These financial burdens have continued across this reporting year and no further exceptional costs funding have been awarded. This has put a significant strain on the budget particularly in the primary schools where essential cleaning expenditure, for both staff and materials, continue to exceed available budgets with no end in sight. The financial burdens relating to COVID-19 are significant and ongoing and have inevitably had a negative impact on the budget that Directors agreed for 2020-2021.

However, the staff and pupils across the Trust are demonstrating great resilience during these difficult times. An extensive Business Support and HR effort was mobilised to ensure that suitable support systems were in place for staff, students, and families. They have committed to the national strategies for managing COVID in our schools and have actively supported all control measures to reduce the risk of transmission and infection across our estate. Staff continue to deliver the highest level of pastoral care to the pupils in the Trust and educational outcomes achieved through the Teacher Assessed Grades (TAGS) are consistently outstanding.

During the year the Trust received Covid 19 funding of £363,530 from the DfE/ESFA and £106,900 from Central and Local Government.

On another positive note, in the secondary school, the centrally funded new building was delivered on time and in budget despite the challenges presented by the various lockdowns. This enabled a very robust approach to be implemented regarding the national strategy of year group bubbles.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Covid-19 Impact on the Financial Statements

#### 1. Main Achievements of the Trust

- Primary Performance

As part of steps taken to fight the spread of coronavirus, the government announced, as in the previous year, that all tests due to take place in primary schools in England in Summer 2021 were cancelled and that it would not publish any school level educational performance data based on tests, assessments, or exams for 2021. This meant that the government did not publish any national, regional, and local data for any primary school assessments for the 2020 to 2021 academic year.

This includes:

- early years foundation stage profile
- phonics
- key stage 1
- multiplication tables check
- key stage 2

In addition to this, it also suspended Ofsted inspections, although one of the Trust primary schools (St Richard's) did receive a monitoring visit, the results of which were positive and confirmed the school's own self-assessment that it is improving on its journey to a good judgement. The Trust's current self-assessment for all 7 primaries is improving and projected to be at an Ofsted good standard, with 1 school moving towards outstanding. COVID has slowed the primary school progress down with many students having lost ground academically and pastorally because of the 2 lockdowns. The additional recovery funding will be critical to getting the student and schools back on track in line with these trajectories, and each school has a detailed COVID recovery plan in place for 2021-22. The Ofsted inspection programme will return in full in Autumn 2021, with 2 primary schools and 1 secondary school in the window for full inspections.

- Secondary Performance

No examinations were completed in Summer 2021 at any Key Stage or in any qualification. As a result, Ofqual and the DfE published guidance for schools to generate Teacher Assessed Grades (TAGs) which should reflect students' projected outcomes based on available evidence and data. The Trusts current self-assessment is that the College remains outstanding, however, there are multiple new challenges that have arisen because of the COVID pandemic, such as the digital deficit, which has required funding over and above the support provided by government. The central recovery funding is critical to get the students and school back on track in line with its trajectory. A detailed recovery plan is in place for 2021-22.

#### Standards

- Progress 8 is consistently well-above average with approximately 80% EBACC entry.
- RE results are consistently excellent and significantly above Diocesan and national averages.
- Attendance is significantly above the national average across pupil groups.
- In 2017 the College was awarded 'World Class School' status and in 2018 became one of two 'lead schools' in UK for the World Class Quality Mark serving as a flagship for the North. Reaccreditation was secured in 2020.
- The College has 'Leading Edge' status.
- SM6 school leavers secure a range of destinations including a significant proportion to top ranking Universities (including Oxbridge). In 2021, 9 students secured places at medical schools.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Educational challenge, Disadvantage and Deprivation Demographic

- We are a significantly larger than average secondary school with 2,371 pupils (Oct 2020).
- The percentage of students eligible for the Pupil Premium in Years 7-11 is 20.5%.
- 49.7% of students are boys and 50.3% are girls (7-11) / 36.5% boys vs 63.5% girls (12-13). The gender imbalance is in part due to boys seeking an apprenticeship and an historical gender imbalance in the year group.
- KS2 prior attainment is marginally above national average (Jan 2019 Census).
- The percentage of students with SEN is currently 18.8%.
- St Mary's College is the secondary school of choice for parents of children with Education Health Care Plans. 50 (2.8% (7-11)) students have statements or Education, Health and Care Plans, which is more than twice as many as any other secondary school in the city. There are a further 12 EHCP post 16 (1.6%).
- There are 444 students in Years 7-13 who are classed as SENK. The percentage of students with SEN in Years 7-11 is currently 19.86%. The percentage of students with SEN in Years 7-13 is currently 20.34%. The percentage of students with SEN in Years 12-13 is currently 21.48%. The total number of students with an EHCP in Years 7-11 is 50 (2.8%) The total number of students with an EHCP in Years 7-13 is 62 (2.49%) The total number of students with an EHCP in Years 12-13 is 12 (1.64%)
- In Years 7-11 there are 16 Children Looked After (CLA) and 9 in Years 12-13, 7 in Years 7-11 on a CP Plan, 0 in the 6<sup>th</sup> form. 26 in Years 7-11 and 2 in Years 12/13 who are identified as Children in Need, 20 Young Carers in Year 7 – 11 and 1 in Year 12/13. EHASH: 34 in Years 7-11 and 39 in Years 12/13.
- 33.7% (7-11) are EAL compared with 16.9% nationally (ASP 2019). Pupils come from over 68 countries and 59 different languages are spoken. 15.5% of the entire cohort of students in Years 7-11 are Polish which is just under half of our EAL population. 46% of the entire EAL cohort are Polish. 20.7% of students post 16 are also EAL.
- Whilst around half of students come from Catholic partner primary schools (50% (7-11)), the remainder are from a wide range of other schools. 58% (7-11) and 32.5% (12-13) of pupils are Roman Catholic while a further 28% (7-11) belong to other Christian faiths. Levels of church attendance in Hull are among the lowest in the country. There are relatively few other faith communities in Hull.

### Additional detail

- PP students at SMC achieve around half a grade above all pupils nationally on average at KS4. PP students on post 16 programmes matched the headline performance of their non-PP peers, achieving and attaining well above national averages for all pupils.
- Students come from a wide variety of socio-economic backgrounds, some from higher social class households and wards but the majority come from very deprived wards.
- The College attracts students from outside of the city.

## 2. Financial Uncertainties

COVID has prevented our primary schools from implementing the planned vigorous recruitment campaigns although a robust online response was delivered in its place. COVID has stifled recruitment and diverted vital funds across to the complex and resource hungry risk mitigation plans including essential services such as cleaning. In all schools the digital deficit was a major problem and the Trust had to divert unplanned funds across to the purchase of more devices so that students could study remotely successfully. The Trust continues to work well with the Local Authority to maximise opportunities to increase its portable assets and we have also worked proactively with local commercial partners to secure further donations of portable devices for our students. The central funding for devices has been welcome but has only touched the surface of the ongoing digital deficit.

The biggest challenge facing the Trust's sustainability is the decline in primary admissions. The Trust is working in close partnership with the Local Authority and The Diocese to consider a suitable strategic response to this national, regional, and local problem. At the beginning of 2021, the Trust commissioned a primary feasibility study to assess the impact of reducing primary admissions together with our ageing primary estate, on the sustainability of the Trust. It considered various options which are now part of a wider dialogue involving the parties as referenced above.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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A further significant challenge is the age and condition of the primary legacy estate. Asset Management Plans have been produced in partnership with a local surveyors practice and they form the basis of the annual capital plans for condition and improvement. The Trust continues to meet the annual repair and condition liabilities but in the background are some major financial risks attached to big ticket items like heating and hot water systems. The Trust is working with an energy and renewables consultancy to apply for Salix funding and low carbon funding to meet some of these liabilities.

### **3. Volunteers**

When the government launched its lateral flow testing strategy, the Trust was assisted by medical volunteers who offered to support. This helped manage costs, although they still exceeded the budget received. In addition, we continued to benefit from volunteers in the primary schools who helped reduce the impact of staff absence due to COVID by maintaining, for example, reading programmes.

### **4. Fundraising**

Throughout the pandemic we have continued to use the services of a professional fundraiser who has been successful with several bids for important projects such as outdoor learning and Duke of Edinburgh. These initiatives would not have been financially achievable without the charity funding. The primary PTA's have been active, and fundraising has supported schools to develop an outdoor curriculum. The secondary school continues to run a successful 200 Club lottery which contributes to specific enrichment projects.

Furthermore, each Academy within the Trust has an active mission to fundraise towards internally approved projects and approved good causes such as CAFOD or Emmaus Hull.

This year, in a continued response to the COVID-19 pandemic, the Chaplaincy Team has been very active in generating donations for food parcels to go out to the most deprived families in our community. They continued this vital work during lockdown, and it is still ongoing.

### **5. Implications for the academy trust's operations and activities for the coming year**

The outlook for the Trust in 2021-22, in terms of the ongoing virus, is uncertain. At the time of writing, Hull remains below national average for case numbers per 100,000 but is on the rise. We are still experiencing high levels of staff and student absence which threatens to undermine the recovery strategy. Although bubbles have been removed across the Trust and a full curriculum offer has been reinstated, in the case of a COVID flare up these control measures may be reintroduced. The risks for the students are continued disruption to their education, a limited educational offer and restricted social and enrichment experiences. This is particularly concerning for our examination cohorts who have already suffered major disruption to their teaching and learning.

Staff continue to manage this unprecedented situation with resilience and flexibility, but it is a specific stress in the workplace to be managed by themselves supported by a proactive leadership and management team.

Directors are meeting face to face which is more conducive for certain committees. However, they adapted to remote governance very effectively and we do not assess this as a major risk should we have to return to that method of communication.

A meeting was held between the Actuary, External Auditor and Executive Finance Team of the Trust to discuss this year's financial assumptions. At this point in time COVID was not identified as a major risk to the value of the fund.

### **6. Reserves Policy**

The Reserves Policy remained the same for this reporting period. However, Trustees met to review this position in September 2021 and decided to increase the level of reserves set aside for future commitments given the level of uncertainty around COVID, declining primary admissions and the age of the primary estate. The Trust aims to maintain between 1% - 3% of annual GAG as reserves.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### 7. COVID-19 related funding

The main COVID related funding received has been as follows:

- Free School Meals – the Trust has continued to use the national voucher scheme.
- Lateral Flow Testing – central allocation of funding based on student numbers.
- Covid Catch-Up – plans are published on the websites.
- Covid Recovery – plans are published on the websites.
- School-Led Tutoring – plans are published on the websites.

### Financial and Risk Management Objectives and Policies

The Trust has basic financial instruments. These are bank balances, trade debtors, other debtors, accrued income, trade creditors and accruals. These arise through the normal trading activities of the Trust. The Trustees have assessed and implemented several systems to assess and mitigate risks that the Academy Trust faces, especially in operational areas e.g., in relation to teaching, HR management and to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk remains, they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls, and this is explained in more detail in the Governance Statement. Key risks have been identified below:

- Declining primary admissions. This is a local, regional, and national demographic trend. A detailed 10-year analysis has been undertaken by the Local Authority which shows some primary schools losing up to 50% of their usual admissions over the medium to long term.
- COVID-19 continues to have multiple risks to the performance of the Trust. From a financial perspective, costs which are not covered by additional central funding, continue to have significant impact on budgets.
- Staff recruitment & retention: pro-active use of the Schools Direct programmes in both primary and secondary is central to ensuring the Trust maintains high quality flow of new staff. Expansion of the Trust has created further opportunities to retain key staff and in particular nurture future Catholic leadership.
- Age of the estate (legacy & lifecycle): St Cuthbert's is an Established Trust and now receives annual guaranteed capital funding (School Condition Allocation) of approximately £450,000. This makes planning for the asset management of the Trust easier and more effective. There are, however, some ageing buildings that require significant investment.
- SEND sufficiency in the city is a major issue and failure to meet this growing need is negatively impacting on schools' ability to deliver effective teaching and learning for all students.

### Reserves Policy

The Trustees regularly review the reserve levels of the Academy Trust. This review encompasses the nature of the income and expenditure streams, the need to match income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have reviewed the Trust's income and expenditure and have set new guidance for the level of reserves to be maintained at a minimum of 1% with growth to 3% over the next few years. This is to minimise the financial risk of the Trust being unable to pay the liabilities as they fall due in balance with maximising the educational benefit of the Trusts funding and other income. The Chief Financial Officer identifies the need to replace assets and the related sums required through the annual capital plan. The Directors agree the value of capital reserves to be created in a year as part of the budget approval process. COVID-19 has impacted on the level of reserves the Trust keeps due to the unprecedented level of expenditure required to deliver COVID-19 secure education. The exceptional funding payment from the government contributed towards costs but did not cover all spending on essential items like PPE, cleaning staff, cleaning resources and premises adaptations.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Reserves Policy (continued)

A breakdown of the funds as at 31 August 2021 is as follows:

The Group held total fund balance reserves of £17,144,574 as at 31 August 2021 (2020: £17,497,383), comprising of £16,442,984 (2020: £16,799,709) of restricted funds including a pension deficit of £14,286,000 (2020: £10,632,000) and unrestricted funds of £701,590 (2020: £697,674).

Total revenue reserves of the Group are £701,590 (2020: £697,674) as at 31 August 2021, and this excludes the fixed asset fund of £30,728,984 (2020: £27,431,709) and the pension reserve deficit of £14,286,000 (2020: £10,632,000). The amount of free funds, being total funds less the amount held in fixed assets and restricted funds is £701,590 (2020: £697,674).

The trust is carrying a net deficit of £14,286,000 (2020: £10,632,000) on the pension reserve deficit due to future pension liabilities exceeded the current value of assets held. Over time this will be brought back into balance through the payment of monthly pension contributions, based on a percentage of gross salaries, into the East Riding Pension Fund which includes an element to address the deficit position. During the year the Trust paid employer contributions of £880,364 (2020: £869,347).

### Going Concern

Despite the group's operational reserves (unrestricted funds excluding those represented by tangible fixed assets) showing a surplus of £69,443 the Trust currently manages its solvency through a combination of a robust budget setting process and a regular review of the budget against actual income and expenditure for each setting. The Trust has prepared financial forecasts and cash flow forecasts to 31st December 2022 to support the going concern conclusion adopted. In addition, the trust operates with a manageable liquid cash balance and manages income and payments closely to ensure any potential risks to this are identified early. After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has the resources to adequately operate until at least 31<sup>st</sup> December 2022 and maintain solvency despite the impact of Covid-19. For this reason, it continues to adopt the going concern basis in preparing financial statements. The details regarding the adoption of the going concern basis can be seen in the Statement of Accounting Policies.

### Investment Policy

The Academy Trust does not currently hold any investments.

### Plans for Future Periods

The key aims and objectives set for the next reporting period are the same as those stated in this report. One of the main planned activities in terms of delivering a stable financial plan was full centralisation of the finance function and this was delivered at the end of the last financial year. This ensures prompt oversight and control of local and Trust resource plans. It has also improved internal control procedures. The main financial challenges are COVID-19, reduced income in the primary sector as a result of declining admissions, unspecified increases to pay and pension costs, the age of our school estate and political and economic impacts of inflation and BREXIT.

### Principal Risks and Uncertainties

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide a reasonable level and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the 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 the Academy Trust for the year 2020-2021, and up to the date of approval of the annual report and financial statement.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Risk Management:

St Cuthbert's Roman Catholic Academy Trust views risk management as an integral part of good corporate governance in order to continue to:

- Manage the maintenance of high educational standards in terms of outcomes, policy, and practice.
- Demonstrate best value.
- Protect the assets and reputation of the Trust and the academies.

### Key risks:

The Trust considers that key risks are most likely to arise in the following areas:

- Sustaining and improving the delivery of high-quality education to pupils attending the Trust's academies particularly in view of COVID-19 and the ongoing importance of remote access to education for all students and the necessary funding to fully support a catch-up curriculum.
- Safeguarding students, employees, and all other persons to whom the Trust has a duty of care, particularly in view of COVID-19.
- Maintaining effective control of public funds and maintaining cost base in response to increasing teacher pay and pension rates with no certainty of central funding and rising inflationary pressures.
- Protecting property including buildings, equipment, vehicles and all other assets and resources.
- Compliance with statutory obligations, policy, and financial procedures.
- Maintaining the positive reputation of the Trust.
- The age of the estate and capital investment required over the next few years set against capital grant income received through central government funding (School Condition Allocation).
- Declining primary admissions.
- The Diocesan Review – Autumn 2021.
- SEND sufficiency across the city.

### Managing risk:

To effectively manage these risks, the Trust Board and specifically Audit and Risk Committee are accountable for overseeing the implementation of the Risk Management Plan with the Executive Leadership Team as follows:

- Audit and Risk Committee meets twice termly alongside the Finance and Assets Committee.
- The Accounting Officer is responsible for embedding a culture of risk management across the Trust that encourages the identification and management of risk, reporting twice termly to Audit and Risk Committee on the Academy Trust Handbook headlines of regularity, propriety, and value for money.
- Appointment of Finance Manager with responsibility for internal scrutiny.
- Appointment of external audit partner (not responsible for the end of year audit) to conduct internal audit processes and reports.
- Provide an internal scrutiny programme and framework for recording, reviewing, and reporting on potential risks and associated actions with follow up mechanism in place. This framework is traffic lighted to identify the level of risk – RED = high risk with significant financial impact likely; AMBER = some risk with moderate financial impact likely; GREEN = low risk with no financial impact expected.
- Reinforce the importance of effective risk management by offering training, good practice, and other support.
- Regular staff education on increasing awareness with regards to fraud and cyber-crime.

Strategic risks are identified and recorded in the Trust's Risk Register and are graded as high, medium, or low. These risks are reviewed during the period and the Directors assess the major risks and uncertainties to which the trust is exposed.



# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### **STREMAINED ENERGY AND CARBON REPORTING (SECR)**

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

#### **Organisational boundary**

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only. This includes all 8 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

#### **Reporting period**

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

#### **Quantification and reporting methodology**

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. For one school, gas consumption has been estimated using a Trust-specific benchmark approach. Minibus consumption was calculated from fuel receipts and grey fleet mileage from employee expense claims. On site generated renewable electricity (solar photovoltaic) is reported and excludes exported energy. Exported energy is not measured but estimated to be 50%. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities (scope 3).

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

#### Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2019/20	2020/21
<b>Mandatory requirements:</b>		
Gas	1,989,552	2,340,545
Purchased electricity from the grid	640,849	1,525,220
Transport fuel	30,319	6,846
<b>Total energy (mandatory)</b>	<b>2,660,720</b>	<b>3,872,611</b>
<b>Voluntary requirements:</b>		
Oil	466,725	534,977
Consumed electricity from on-site renewable sources	10,356	22,508
<b>Total energy (voluntary)</b>	<b>477,081</b>	<b>557,485</b>
<b>Total energy (mandatory &amp; voluntary)</b>	<b>3,137,801</b>	<b>4,430,096</b>

#### Breakdown of emissions associated with the reported energy use (tCO<sub>2</sub>e):

Emission source	2019/20	2020/21
<b>Mandatory requirements:</b>		
<u>Scope 1</u>		
Natural gas	365.8	428.7
Transport - Company owned vehicles (mini-buses)	5.3	0.4
<u>Scope 2</u>		
Purchased electricity (location-based)	149.4	323.9
<u>Scope 3</u>		
Transport – Business travel in employee-owned vehicles	2.3	1.2
<b>Total gross emissions (mandatory)</b>	<b>522.8</b>	<b>754.2</b>
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO <sub>2</sub> e per pupil	0.147	0.187
Tonnes of CO <sub>2</sub> e per square meter floor area	0.018	0.025
<b>Voluntary requirements:</b>		
<u>Scope 1</u>		
Oil	112.3	137.4
Consumed electricity from on-site renewable sources	0.0	0.0
<b>Total gross emissions (voluntary)</b>	<b>112.3</b>	<b>137.4</b>
<b>Total gross emissions (mandatory &amp; voluntary)</b>	<b>635.1</b>	<b>891.6</b>

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

#### Intensity ratio

Two intensity ratios are reported showing emissions (tCO<sub>2</sub>e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn census of the respective year. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

#### Energy efficiency action during current financial year

The Trust is committed to reducing emissions and this year has seen the implementation of the following energy efficiency measures:

- The Trust has identified working towards a greener and more sustainable future as one of six strategic ambitions.
- The Trust have implemented improved monitoring of energy consumption across all sites in the Trust, particularly for St Mary's College. This involves taking regular meter readings.
- The Trust have maintained a good awareness of the energy market and has been encouraging staff to uphold good operational practices through regular briefings. This includes encouraging staff to close windows and turn off lights and equipment when vacating a room.
- Staff business travel between sites has reduced this year through promoting the use of videoconferencing.
- A maintenance programme has resulted in a replacement boiler installation in the old sports hall at St Mary's College along with replacement LED lighting in key areas (the reception, social areas and emergency lighting).
- A 1960s building at St Mary's College has been demolished and replaced by a brand-new building with BREEAM accreditation and an 'A' rated EPC.
- The Trust have applied to the Public Sector Decarbonisation Fund for a low carbon boiler replacement at St Mary's College. Funding is in the process of being applied for at a further 2 primary schools that have had on site assessments.
- St Mary's School Council is driving a range of initiatives to deliver improvements to the local environment.

COVID-19 has impacted negatively on the Trust's energy use and this has resulted in increased levels from the last reporting period for the following reasons:

- The national ventilation strategy means that all schools have doors and windows open where it is safe to do so. This means that when the weather is colder there has been a significant impact on heating. All schools have responded with an amended uniform policy in order to mitigate this i.e., wrap up and wear layers of clothing.
- All schools remained open, for children of key workers and vulnerable students, during periods of lockdown and holiday periods when schools would normally be closed or on reduced services.

#### Future Plans

- Continue to apply for any central sustainable projects and funding.
- Pursue Salix funding for LED lighting.
- Exploring renewables scheme (solar panels) for primary schools.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Section 172(1) statement and our stakeholders

We report here on how the Trust have performed their duty under Section 172 (s.172) of the Companies Act 2006. S.172 sets out a series of matters to which the Trustees' must have regard in performing their duty to promote the success of the Trust for the benefit of its stakeholders.

#### Engagement with Employees (including disabled persons)

The Trust is committed to providing all employees with regular information on matters of concern to them. The main methods used are as follows:

Daily staff briefings – a blend of electronic and face to face.

Global email communications for important or urgent information.

Weekly team CPD sessions.

Regular INSET and Trust Briefings / Gatherings.

Communications Manager manages paper or face to face briefings for staff without electronic access.

Central HR Team provide an open-door policy to any staff with issues that they do not want to share with line management.

Health and Wellbeing initiatives like staff football, yoga, social events, tea and talk events.

Staff surveys.

The Trust is committed to consulting with employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests. A termly Joint Consultative Committee is held with regional members of the main professional bodies. The Trust supports the union levy and regularly offers representatives the opportunity to consult with staff and feedback to Senior Leadership.

The Trust regularly shares performance data with staff and has regular meeting structures in place to ensure that this information is understood, and responses can be formulated in partnership.

St Cuthbert's employs a specialist HR Manager who advises Directors and Senior Leadership on policy in respect of key HR matters such as employment, equality and diversity including the treatment of disabled individuals. Information on policy is published on our Trust schools' websites.

#### Engagement with Suppliers, Customers, and others in a Business Relationship with the Trust

The Trust continues to develop its relationships with key suppliers. It has been made more challenging by the current pandemic but telephone, Zoom, Teams and a limited number of face-to-face meetings have continued to make this possible. The Trust maintains a list of contracts and is working towards establishing its own approved list of contractors. The Trust also uses the Diocesan list of approved contractors where reasonable to do so.

During the pandemic, the Trust continued to pay suppliers on time and in line with PPN 02/20. Trustees directed the central finance function to continue to make payments to critical services like examination bodies and food suppliers. The furlough scheme was not utilised for staff except where their employment was directly paid from profit of that function e.g., The Sports Development Company and Catering staff.

The Trust is committed to act fairly between its members and all stakeholders. The local community is a beneficiary of the Trust, please refer to the Public Benefit section of the Trustee Report on page 8 for more details. The Trust's impact on the environment is referred to in the Streamlined Energy and Carbon Reporting section on pages 16, 17 and 18. We are supporting our Student School Council to work in partnership with national, regional, and local partners in pursuit of our sustainability objective. We are engaging with the COP 26 agenda and our commitment to maintain the Trust's reputation for high standards can be seen throughout the Trustee's report.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

### Statement as to Disclosure of Information to Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware.
- the Trustees 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 the information.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 9<sup>th</sup> December 2021 and signed on the Board's behalf by:



Peter Fearnley  
Trustee and Chair

9<sup>th</sup> December 2021

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Scope of Responsibility

St Cuthbert's Roman Catholic Academy Trust has considered the effect of COVID-19 on its governance arrangements during the year and ensured the content of this governance statement accurately reflects the suitability and effectiveness of its risk and control framework.

As Trustees we acknowledge we have overall responsibility for ensuring that the Trust 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.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Cuthbert's Roman Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year and its main responsibilities are as follows:

- Admissions
- Appeals
- Finance and Capital Assets
- Audit and Risk
- Human Resources Committee (including Pay)
- Student Exclusion
- Curriculum, Teaching and Learning
- Strategy
- Safeguarding
- Catholic Life of the Schools
- Complaints

The Board is provided with regular and timely information on the overall financial performance of the Academy together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters including health and safety and environmental issues.

The Independent governance professional to the Board maintains a register of financial and personal interests of the members of the Board. The register is available for inspection on the website.

All Board members can take independent professional advice in furtherance of their duties at the Trust's expense and have access to the governance professional, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the governance professional are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to Board members in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### Governance (continued)

Attendance during the year at meetings of the board of Trustees was as follows:

#### ATTENDANCE REGISTER - full board meetings only

<b>St Cuthbert's Roman Catholic Academy Trust</b>	01/10/20	14/01/21	28/01/21	25/03/21	14/05/21	15/07/21
<b>Foundation:</b>						
Mr C Cuthill	•	•	•	•	•	•
Mr M Davidson	•	•	•	•	•	•
Ms R Dex	*	•	•	•	•	•
Mr M Gallagher	*	*	•	•	•	•
Father W Massie	•	•	•	•	•	*
Mrs A Ward	*	•	•	•	•	•
Mr K Duffy	•	•	*	X		
<b>Parent:</b>						
Mr T Davison	*	*	*	*	*	*
Mr P Fearnley (Chair)	•	•	•	•	•	•
<b>Co-opted:</b>						
Mrs L Dyas (Vice Chair)	•	•	•	*	*	X
Mr J Sargeant	•	•	•	•	•	•
<b>CEO / Staff</b>						
Mr G Fitzpatrick	•	*	•	•	•	•
<b>COO P:</b>						
Mrs K Siedle	•	•	•	•	•	•
<b>CFO:</b>						
Mrs S Teasdale	•	•	•	•	•	•

• = present

\* = absent, consent given

x = absent, no consent

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Governance Reviews

New Trustees complete a self-evaluation skills audit facilitated by our external governance professional, who uses the Diocesan approved skills audit tool. This ensures that all key skills for governance are covered. Particular challenges facing the Board this year have been as follows:

- COVID-19.
- Decline in primary admissions.
- Ageing estate.
- Increased pressure on high needs and SEND sufficiency across the city and diminishing funding.
- Digital deficit for successful remote education.
- The Diocesan Review.

The Board is chaired by a qualified chartered accountant who is able to provide strong financial leadership to the Board and Finance and Asset Committee. The Finance and Asset is a sub-committee of the main Board of Trustees. Its purpose is in line with Section 2.3 of the Academy Trust Handbook 2021 which sets out that board and its committees must meet regularly enough to discharge their responsibilities and ensure robust governance and effective management arrangements. It states that board meetings must take place at least three times a year and larger trusts should consider meeting more frequently. If the board meets less than six times a year it must describe in its governance statement how it maintained effective oversight of funds with fewer meetings.

### Terms of Reference

#### Capital and Assets

- To monitor the use of the Trust's capital funding, with due reference to the agreed selection criteria.
- To maintain oversight of premises issues, including capital investment, facilities management, and community use.
- To ensure the implementation of a rolling programme of repairs and maintenance across all sites, based on identified priorities.
- To make the best use of the Trust's capital assets.
- To insure the buildings.
- To prepare and keep under review the health and safety policy.
- To monitor and evaluate the implementation of the health and safety policy and intervene where necessary.
- To ensure compliance with health and safety legislation and best practice, including monitoring accidents and near misses.
- To monitor Trust-wide ICT provision

#### Finance

- To ensure the financial sustainability of the Trust.
- To consider indicative funding, notified annually by the ESFA, and to assess its implications, drawing any matters of significance or concern to the attention of the Board of Trustees.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, the financial regulations of the ESFA and the Academy Trust Handbook, drawing any matters of concern to the attention of the Board of Trustees.
- To report to the ESFA as required.
- To prepare the financial statements to form part of the annual report of the Board of Trustees, for presentation to members and filing in accordance with Companies Act and ESFA requirements.
- To recommend a formal budget plan for each financial year, for approval by the Board of Trustees.
- To receive and make recommendations on broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To monitor school level budget planning and expenditure.
- To ensure funding received is used in accordance with guidance received.
- To report financial irregularities to Members.



# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### Governance Reviews (continued)

#### Finance (continued)

- To agree contracts or other binding agreements, in accordance with adopted policies and procedures and in line with delegated levels of expenditure.
- To make payments in accordance with adopted policies and procedures and in line with delegated levels of expenditure.
- To liaise with and receive reports from committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To approve/recommend for approval policies and procedures relating to financial management.
- To approve the scheme for paying governors' expenses.

#### Audit

- To advise the Board on the adequacy of internal controls and value for money systems.
- To review financial statements and reports and highlight any significant issues to the Board of Trustees.
- To monitor and review the effectiveness of financial procedures, controls, and internal audit and, where appropriate, make recommendations for improvement. To review risks to internal financial control and agree actions to address those risks.
- To recommend to the Board the appointment of the external auditors.
- To agree the scope of work for the internal scrutineer and to receive half termly reports.
- To review the internal scrutineer's reports, make recommendations and monitor the implementation of those recommendations.
- To recommend to the Board the program of internal scrutiny checks on financial controls and systems.
- To receive auditors' reports and to recommend to the Board action as appropriate in response to audit findings.
- To ensure all relevant reports and management letters are responded to effectively and in a timely manner.
- To keep under review the whistleblowing policy and ensure allegations of fraud or irregularity are investigated.
- Ensure a register of business interests is maintained.
- To ensure the Trust meets the requirements of Data Protection and Freedom of Information legislation.

Attendance at meetings in the year was as follows:

<b>St Cuthbert's Roman Catholic Academy Trust Finance &amp; Assets Committee and Audit &amp; Risk Committee</b>	<b>22/10/20</b>	<b>03/12/20</b>	<b>21/01/21</b>	<b>11/03/21</b>	<b>06/05/21</b>	<b>08/07/21</b>
Mr P Fearnley (Finance Chair)	•	•	•	•	•	•
Mr M Davidson	•	•	•	•	•	•
Mrs L Dyas	•	•	•	•	•	•
Ms R Dex	•	•	•	•	•	•
Mr T Davison	*	*	*	*	*	*
Mr M Gallagher	*	•	•	X	•	•

• = present      \* = absent, consent given      x = absent, no consent

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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 Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Effective procurement of all operational leases.
- Effective procurement of trades and services including school uniform supply.
- Effective use of the facilities of the Trusts subsidiary to provide sporting facilities to SMC.
- Use of framework agreements and national deals e.g., educational supplies and agency supply staff.
- Staffing efficiencies and increased harmonisation across the Trust
- Traded services e.g., School Improvement.
- Effective use of procurement of Covid-19 supplies and services.
- Social Impact - adding value to the regional and national offer particularly in leading the Hull Sports Active Programme providing participation and competitive opportunities for all schools across the City, the Trust are the lead regional school for Inclusion Sport; The Trust is one of the leading members of the City Learning Partnership which is pivotal to setting the local education agenda; The Trust's sport facility "The Academy" provides competitively priced community sport and health and well-being opportunities to the local community.

The Trust has acted to support suppliers during the pandemic and has followed national guidance in relation to Procurement Policy Notice 02/20 & 04/20 e.g., continuing payment of fees to examination bodies, transport providers and catering suppliers.

The Trust has also encountered some instances where best value has not been established according to its Procurement and Tendering Policy. BREXIT and COVID-19 have adversely impacted on availability of supplies and labour across a range of areas but particularly in relation to building trades. Several planned works that were agreed by Directors on the Capital Plan have had limited contractors coming forward to provide quotations. Where the work is urgent, such as emergency repairs, the work has gone ahead with the best value available.

### 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 Cuthbert's Roman Catholic Academy Trust throughout the period of review and up to the date of the approval of the annual report and financial statements.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### Capacity to Handle Risk

The Board has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating, and managing the Academy Trust's significant risks that has been in place for the period 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 Audit and Risk Committee and the Internal Scrutiny half termly reports and Annual Report 2020-21 details the process and measures taken in this reporting period. COVID-19 has not compromised this process as all meetings were successfully discharged online if face to face was not possible.

The Audit and Risk Committee 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. A Risk Register is in place and is regularly reviewed by the Audit and Risk Committee.

The Trust contracts with an external specialist education accountancy company to provide regular financial expertise in this area and to produce high quality data and reporting for the Board of Trustees and Audit and Risk Committee. This year the Trust has also contracted with another specialist external auditor to provide high quality, independent internal audit reporting for trustees. This will form an ongoing part of the Boards capacity to handle risk.

The Trust appointed a Finance Manager in 2020 with responsibility for internal scrutiny. The individual appointed in has a strong track record in this field of audit and control and has developed a rolling programme of review that is initiated by the Trustees and Audit and Risk Committee. This programme covers finance and other areas of accountability across the Trust such as information and record retention.

The Audit and Risk Committee also nominated external Health and Safety experts, Stallard Kane, to undertake an annual H&S audit, including estate management compliance across all schools in the Trust. This is further strengthened by a regular, annual operational audit which is carried out by Senior Estate staff. Further to this, The Diocese also undertook its own Health & Safety and Compliance audit of the Trust this year and provided very strong evidence in support Trust compliance in this area.

### The Risk and Control Framework

The 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. It includes:

- comprehensive budgeting and monitoring systems with an annual budget and regular financial reports which are reviewed and agreed by Trust Board, in line with requirements of the Academy Trust Handbook
- regular reviews by the Audit and Risk 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.
- up to date published financial procedures handbook.
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties
- identification and management of risks
- regular use of ESFA checklists and reporting to Directors
- proactive approach to staff education on fraud.

The Finance Manager with responsibility for internal scrutiny reports into the CFO on a day-to-day basis but has a dotted reporting line to the Chair if any issues emerge with either CFO, CEO or Accounting Officer activity. The scrutiny reports are formally reported to the Board via the Audit and Risk Committee. Reports on internally evaluated opinions have evolved throughout this financial year, and to provide a rolling, consistent approach to the internal scrutiny programme a traffic light system has been put in place and any items with amber or red reporting will be detailed to the Board for further scrutiny.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

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### The Risk and Control Framework (continued)

The Board is also free to ask for more information on any aspect of financial management at any time. The Trust identifies, on a risk-basis (with reference to its risk register) the areas it will review each year. During the year the rolling program looked at areas such as delegated levels of authority, ESFA benchmarking, asset management plan, register of business interests, bank reconciliations and mandates. Further work was done on expenses claims, payroll and health and safety risk assessment. No fundamental issues arose during the scrutiny. Recommendations are implemented and monitored.

This year's major challenge has been to manage the impact of COVID on all key aspects of financial management. Regular reporting to the Board has provided assurance on levels of planned and unplanned expenditure and compliance with funding streams such as the exceptional COVID costs and COVID Catch-up Fund.

The Trust also adopted a new method for internal reporting and contracted an independent expert to carry out various checks throughout the reporting period. The internal audit work commissioned from Principal Resources included a comprehensive programme of internal audit in the following area:

- Recommendation from external audit
- Accounts preparation and finance pack provided to directors
- Payroll
- St Marys College Sports Development Company
- Document retention

Audit and Risk Committee maintained its meeting schedule alongside all other internal scrutiny inputs. On a half termly basis, the internal scrutineer reports to the Trust on the operation of systems of control and on the discharge on the Board of Trustees responsibilities. The rolling programme during this period has covered the following areas:

- Bank reconciliations
- Register of business interest
- Purchases
- Online banking
- Petty cash
- Expenses
- Income

Each item is presented by key findings, recommendations and updated with conclusions. These recommendations are monitored as part of the process which is owned by the internal scrutiny manager.

Based on the reviews undertaken the overall opinion on governance and control environment was satisfactory. There were no fundamental recommendations arising from the internal scrutiny and all prior year's internal audit recommendations have been implemented. Control is effective in most areas and clear plans exist to make further improvements. The centralisation of financial processes has enabled improvements to be made to financial procedures and the internal scrutiny programme. Next year the Trust plans to work with a School Management Resource Advisor in order to make further improvements in this area.

### Fraud Management

The Trust has an active fraud education programme in place and regular reporting to Trustees. There has been no fraud identified or reported during this period.

### Review of Effectiveness

As Accounting Officer, the Chief Executive Officer 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 scrutineer
- the work of the external auditor
- the ESFA school resource management assessment checklist, dashboard & benchmarking
- the Accounting Officers own review and checklist.

Approved by order of the Board of Trustees on 9<sup>th</sup> December 2021 and signed on its behalf by:

  
P Fearnley  
Chair

  
G Fitzpatrick  
Accounting Officer

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of St Cuthbert's Roman Catholic Academy Trust, I have considered my responsibility to notify the Academy Trust board of Trustees 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 Trustees 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 Trustees and ESFA.



G Fitzpatrick  
**Accounting Officer**

9<sup>th</sup> December 2021

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The Trustees (who are also the Directors of St Cuthbert's Roman Catholic Academy Trust for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees 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 Trustees 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees 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 Trustees on 9<sup>th</sup> December 2021 and signed on its behalf by:



P Fearnley  
Chair

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

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## Opinion

We have audited the financial statements of St Cuthbert's Roman Catholic Academy Trust (the "charitable company") for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Academy Trust Balance Sheet, the Consolidated and Trust Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), 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 charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 trustees 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

## 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 trustees 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST (CONTINUED)**

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## **Opinions 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 Trustees Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 29, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company 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 trustees 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **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.

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities in order to draw a conclusion.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Lewis (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP  
Chartered Accountants  
First Floor  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

15 December 2021

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 £	Total 2020
<b>Income and endowments</b>						
Donations and capital grants	3	11,556	-	758,249	769,805	590,870
Donations – transfer of building from local authority	4	-	-	3,985,000	3,985,000	-
Charitable activities:						
-Funding for educational operations	5	42,139	23,181,683	-	23,223,822	21,593,347
-Teaching School		-	80,000	-	80,000	-
Other trading activities	6	1,412,166	-	-	1,412,166	2,028,093
Investments	7	197	-	-	197	1,835
<b>Total</b>		<u>1,466,058</u>	<u>23,261,683</u>	<u>4,743,249</u>	<u>29,470,990</u>	<u>24,214,145</u>
<b>Expenditure on</b>						
Raising funds		9,450	-	-	9,450	6,590
Charitable activities						
- Educational operations	9	1,452,692	24,687,683	1,445,974	27,586,349	25,938,979
-Teaching School		-	80,000	-	80,000	-
<b>Total</b>	8	<u>1,462,142</u>	<u>24,767,683</u>	<u>1,445,974</u>	<u>27,675,799</u>	<u>25,945,569</u>
<b>Net income/(expenditure)</b>		3,916	(1,506,000)	3,297,275	1,795,191	(1,731,424)
<b>Other recognised (losses)</b>						
Re-measurement of net defined benefit obligation	25	-	(2,148,000)	-	(2,148,000)	(2,592,000)
<b>Net movement in funds</b>		3,916	(3,654,000)	3,297,275	(352,809)	(4,323,424)
<b>Reconciliation of funds</b>						
Total funds brought forward		697,674	(10,632,000)	27,431,709	17,497,383	21,820,807
Total funds carried forward		<u>701,590</u>	<u>(14,286,000)</u>	<u>30,728,984</u>	<u>17,144,574</u>	<u>17,497,383</u>

**ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST****CONSOLIDATED BALANCE SHEET****AS AT 31 AUGUST 2021**

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	14		31,059,866		28,137,379
<b>Current assets</b>					
Debtors	15	679,047		965,512	
Cash at bank		1,479,079		770,389	
		2,158,126		1,735,901	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(1,754,666)		(1,706,145)	
<b>Net current assets</b>			403,460		29,756
<b>Total assets less current liabilities</b>			31,463,326		28,167,135
Creditors: amounts falling due after more than one year	18		(32,752)		(37,752)
<b>Net assets excluding pension liability</b>			31,430,574		28,129,383
Defined benefit pension scheme liability	25		(14,286,000)		(10,632,000)
<b>Total Net assets</b>			17,144,574		17,497,383
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	19				
- Restricted fixed asset funds			30,728,984		27,431,709
- Restricted income funds			-		-
- Pension reserve			(14,286,000)		(10,632,000)
<b>Total restricted funds</b>			16,442,984		16,799,709
<b>Unrestricted income funds</b>	19		701,590		697,674
<b>Total funds</b>			17,144,574		17,497,383

The financial statements on pages 33 to 62 were approved by the board of Trustees and authorised for issue on 9<sup>th</sup> December 2021 and are signed on their behalf by:



P Fearnley  
Chair



G Fitzpatrick  
Chief Executive Officer (Accounting Officer)

**ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST****ACADEMY TRUST BALANCE SHEET****AS AT 31 AUGUST 2021**

	Notes	£	2021 £	£	2020 £
<b>Fixed assets</b>					
Tangible assets	14		30,763,137		27,692,768
<b>Current assets</b>					
Debtors	15	694,492		970,066	
Cash at bank		1,341,340		730,260	
		2,035,832		1,700,326	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(1,742,806)		(1,743,810)	
<b>Net current assets/(liabilities)</b>			293,026		(43,484)
<b>Total assets less current liabilities</b>			31,056,163		27,649,284
Creditors: amounts falling due after more than one year	18		(32,752)		(37,752)
<b>Net assets excluding pension liability</b>			31,023,411		27,611,532
Defined benefit pension scheme liability	25		(14,286,000)		(10,632,000)
<b>Total Net assets</b>			16,737,411		16,979,532
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	19				
- Restricted fixed asset funds			30,410,249		26,972,174
- Restricted income funds			-		-
- Pension reserve			(14,286,000)		(10,632,000)
<b>Total restricted funds</b>			16,124,249		16,340,174
<b>Unrestricted income funds</b>	19		613,162		639,358
<b>Total funds</b>			16,737,411		16,979,532

As permitted by s408 Companies Act 2006, the Trust has not presented its own income and expenditure and related notes as it prepares group accounts. The Trust's deficit of income and expenditure for the year was £242,121, (2020 deficit £4,197,657).

The financial statement on pages 33 to 62 were approved by the board of Trustees and authorised for issue on 9<sup>th</sup> December 2021 and are signed on their behalf by



P Fearnley  
Chair



G Fitzpatrick  
Chief Executive Officer (Accounting Officer)

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 Group £	Trust £	2020 Group £	Trust £
<b>Cash flows from operating activities</b>					
Net cash provided/(used in)/ by operating activities	23	283,133	185,523	(259,799)	(252,102)
		<u>283,133</u>	<u>185,523</u>	<u>(259,799)</u>	<u>(252,102)</u>
<b>Investing activities</b>					
Interest received		197	197	1,835	1,835
Capital grants from DfE		758,249	758,249	899,294	899,294
Purchase of tangible fixed assets		<u>(332,889)</u>	<u>(332,889)</u>	<u>(540,181)</u>	<u>(540,181)</u>
<b>Net cash from investing activities</b>		425,557	425,557	360,948	360,948
<b>Net increase in cash and cash equivalents in the reporting period</b>		708,690	611,080	101,149	108,846
Cash and cash equivalents at beginning of the year		<u>770,389</u>	<u>730,260</u>	<u>669,240</u>	<u>621,414</u>
Cash and cash equivalents at end of the year		<u>1,479,079</u>	<u>1,341,340</u>	<u>770,389</u>	<u>730,260</u>

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting Policies

##### General information

St Cuthbert's Roman Catholic Academy Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

The group consists of St Cuthbert's Roman Catholic Academy Trust and its controlled entity St Mary's College Sports Development Company.

##### Basis of Preparation

The financial statements of the Academy Trust have been prepared under the historical 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 financial statements 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 Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

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.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole pound.

##### Basis of Consolidation

The consolidated financial statements include the Trust and its subsidiary St Mary's College Sports Development Company, a registered charity (acquired on transfer of St Mary's College to the Trust on 1 October 2017) controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries acquired are consolidated using the purchase method. All financial statements are made up to 31 August 2021. The Company is consolidated as the Trust exercises control over the Company.

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

##### Going Concern

The Multi Academy Trust is reporting a deficit of £352,809 (including a remeasurement of the net Defined Benefit pension obligations) (2020: deficit of £4,323,424) and an operational reserve (unrestricted funds excluding those represented by tangible fixed assets) surplus of £69,443 (2020: deficit of £163,843). Future income will be secured based on an annual grant from the Department for Education which will be based on the Trust's increasing student numbers.

Based on cashflow forecasts prepared, the Board of Trustees have a reasonable expectation that the Academy Trust has the resources to adequately operate for a period of at least 12 months to 31 December 2022 and maintain solvency, despite the impact of Covid-19. The Trust currently manages its solvency through a combination of a robust budget setting process and a monthly review of the budget against actual income and expenditure. The Trust has prepared, on a cautious basis, financial forecasts and cash flow forecasts to 31<sup>st</sup> December 2022 to support the going concern conclusion adopted. In addition, the Trust operates with a manageable liquid cash balance and manages income and payments closely to ensure any potential risks to this are identified early. At the year-end cash at bank is £1,479,079. For this reason, it continues to adopt the going concern basis in preparing financial statements.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting Policies (Continued)

##### 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 period for which it is receivable, and any abatement in respect of the period 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.

##### Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable, and it can be measured reliably.

##### 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.

##### Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

##### Donated goods, facilities and services

Gifts in kind, being the gift of a fixed asset, are 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 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.

Donated services are measured on the basis of the value of the gift to the Academy Trust.

##### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting Policies (Continued)

##### **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### **Charitable activities**

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

##### **Tangible fixed assets and depreciation**

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. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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 that require 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.

Land and buildings owned by the Diocese of Middlesbrough are held under a licence agreement to occupy. The right to use these tangible fixed assets is recognised by the Trust as the Trust has the right to the future economic benefits reflecting the value of its continuing use of the land and buildings.

Depreciation is provided on all tangible fixed assets, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land	Over the residual life of the lease (125 years)
Leasehold buildings	Between 10 and 50 years
Leasehold buildings improvements	4% to 10% on a straight-line basis
Computer equipment	25% to 33% on a straight-line basis
Fixtures, fittings and equipment	20% on a straight-line basis

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.

##### **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.

##### **Leased assets**

Rentals payable under operating leases are charged against income on a straight-line basis over the period of the lease.



# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting Policies (Continued)

##### Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

##### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

##### 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 chapter 3 part 11 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.

##### Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting Policies (Continued)

##### Pensions Benefits (continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate Trustee 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 reporting date. The amounts charged to net income 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.

##### 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 Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency/Department for Education.

##### Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 2 Critical Accounting Estimates and Areas of Judgement

Accounting 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.

##### Defined benefit pension scheme

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 25, 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.

##### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment, and the accounting policies for the useful economic lives for each class of assets.

##### Recognition of Diocese land and buildings

The recognition of the right to use Diocese owned land and buildings is based on the principles-based approach driven by FRS102. Whilst the legal title has not been transferred to the Trust, the Trustees have assessed that the Trust has the right to the future economic benefit from their use and in accordance with their substance and not legal form the value of their continuing use have been accounted for in these financial statements.

#### 3 Donations and Capital Grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	758,249	758,249	540,178
Other donations	11,556	-	11,556	50,692
	<u>11,556</u>	<u>758,249</u>	<u>769,805</u>	<u>590,870</u>

The income from donations and capital grants was £769,805 (2020: £590,870) of which £11,556 was unrestricted (2020: £50,692) and £758,249 was restricted fixed assets (2020: £540,178).

#### 4 Donations – transfer of building from Local Authority

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Transfer of building	-	3,985,000	3,985,000	-

Following the expansion to the PAN at St. Mary's College, as agreed by the Local Authority, the Trust has been supported by a central capital donation of a new building valued at £3,985,000 based on fair value at depreciated replacement cost by a Chartered Surveyor

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Funding for the Academy Trust's Educational Operations

	Notes	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
<b>DfE / ESFA grants</b>					
General annual grant (GAG)		-	19,065,591	19,065,591	17,646,869
Pupil premium		-	852,219	852,219	884,569
Universal Infant Free School Meals		-	206,742	206,742	226,385
Other DfE group grants	5a	-	1,302,698	1,306,698	1,267,472
		-	21,427,520	21,427,520	20,025,295
<b>Other government grants</b>					
Local authority grants		-	1,367,458	1,367,458	1,214,638
Other incoming resources		-	38,414	38,414	16,300
<b>COVID-19 additional funding (DfE / ESFA)</b>					
Catch-up premium		-	260,560	260,560	-
Other DfE / ESFA COVID-19 funding		-	102,970	102,970	235,992
		-	363,530	363,530	235,992
<b>COVID-19 additional funding (non-DfE / ESFA)</b>					
Coronavirus job retention scheme grant		-	64,761	64,761	101,122
Other non-DfE / ESFA COVID-19 funding		42,139	-	42,139	-
		42,139	64,761	106,900	101,122
		42,139	23,261,683	23,303,822	21,593,347

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

#### 5a Other DfE group grants

	Total 2021	Total 2020
	£	£
Non-domestic rates grant	82,577	84,642
PE & Sports grant	126,330	126,700
Teachers pay grant	236,582	234,597
Teachers pension grant	668,510	661,962
Teaching school grant	40,000	40,000
Teaching school hub grant	80,000	-
Mass testing grant	68,369	-
School to School support grant	-	24,800
FSM supplementary grant	-	28,600
Schools Direct	-	61,530
Other grants	600	4,641
	1,302,968	1,267,472

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 5 Funding for the Academy Trust's Educational Operations (continued)

The Academy Trust has been eligible to claim additional funding in the year from Government support schemes in response to the coronavirus outbreak. The funding received is shown above under COVID-19 additional funding.

The academy received £260,560 of funding for catch-up premium and costs incurred in respect of this funding totalled £260,560. These costs are included in notes 8 and 9 below as appropriate.

The funding received for coronavirus exceptional support covers £102,970 of additional pay, educational resources, cleaning and free school meals costs. These costs are included in notes 8 and 9 below as appropriate.

The Trust furloughed its catering, out of school clubs and sports centre staff under the Government's CJRS. The funding received of £64,761 relates to staff costs of £80,951 in respect of 38 staff which are included within note 10 below as appropriate.

The Trust's subsidiary received £42,139 Local Authority Covid 19 funding under the Retail, Hospitality and Leisure Business Grants Fund and Local Restrictions Support Grant.

The income from funding for educational operations was £23,303,822 (2020: £21,593,347) of which £23,261,683 was restricted (2020: £21,593,347).

#### 6 Other Trading Activities

Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	73,164	-	73,164	61,437
Catering income	350,511	-	350,511	362,263
Music tuition	64,699	-	64,699	68,921
Other income	923,792	-	923,792	1,535,472
	<u>1,412,166</u>	<u>-</u>	<u>1,412,166</u>	<u>2,028,093</u>

The income from other trading activities was £1,412,166 (2020: £2,028,093) of which £1,412,166 was unrestricted (2020: £2,028,093).

#### 7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Interest from short term deposits	<u>197</u>	<u>-</u>	<u>197</u>	<u>1,835</u>

The income from funding for investment income was £197 (2020: £1,835) of which £197 was unrestricted (2020: £1,835).

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Expenditure

	Non-Pay Expenditure			Total 2021	Total 2020
	Staff costs £	Premises £	Other £	£	£
Academy's educational operations					
- Direct costs	17,167,855	1,014,958	1,170,932	19,353,745	19,112,226
- Allocated support costs	4,098,984	876,845	3,266,225	8,242,054	6,833,343
- Teaching School	69,950	3,800	6,250	80,000	-
Total costs	21,336,789	1,895,603	4,443,407	27,675,799	25,945,569

### Net expenditure for the year includes:

	Total 2021	Total 2020
	£	£
Operating lease rentals	134,778	117,876
Depreciation of tangible fixed assets	1,395,402	1,219,473
Net interest on defined benefit pension liability	192,000	149,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	40,230	35,225
- Other services	-	-

### 9 Charitable Activities

	Total 2021	Total 2020
	£	£
<b>Direct costs</b>		
Educational operations – unrestricted	1,452,692	2,097,303
Educational operations – restricted	17,891,090	17,008,333
<b>Support costs</b>		
Educational operations – restricted	8,242,567	6,833,343
Teaching School - restricted	80,000	-
	27,666,349	25,938,979

The expenditure on charitable activities was £27,666,349 (2020: £25,938,979) of which £1,452,692 was unrestricted (2020: £2,097,303), £24,767,683 was restricted (2020: £22,684,347) and £1,445,974 was restricted fixed assets (2020: £1,157,329).

	Total 2021	Total 2020
	£	£
<b>Analysis of support costs</b>		
Support staff costs	4,098,984	3,440,180
Depreciation	439,699	341,460
Technology costs	335,808	194,191
Premises costs	880,645	688,704
Legal costs - other	17,599	15,328
Other support costs	2,279,548	1,984,950
Governance costs	189,771	168,530
	8,242,054	6,833,343

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Staff

	Total 2021 £	Total 2020 £
<b>Staff costs</b>		
Staff costs during the year were:		
Wages and salaries	15,221,775	14,871,954
Social security costs	1,391,003	1,350,738
Pension costs	4,455,472	4,027,221
Staff costs	21,068,250	20,249,913
Agency staff costs	266,539	100,425
Staff restructuring costs	2,000	27,601
Total staff expenditure	21,336,789	20,377,939
Staff restructuring costs comprise:		
Non-contractual severance payments	2,000	27,601

### Non statutory/ non-contractual staff severance payments

Individual payments for non-statutory/ non-contractual payments were £2,000 (2020: £27,601).

### Staff numbers

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

	2021 Number	2020 Number
Teachers	232	232
Administration and support	354	356
Management	41	41
	627	629

### Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	7	5
£70,001 - £80,000	6	6
£80,001 - £90,000	2	2
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	-	1
£250,001 - £260,000	-	1
£280,001 - £290,000	1	-

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 10 Staff (continued)

##### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the executive leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £963,690 (2020: £929,398).

#### 11 Central Services

The Academy Trust has provided the following central services to its academies during the year:

- Executive leadership;
- Chief Financial Officer and Finance Support;
- Payroll;
- HR;
- Estate Services
- Safeguarding;
- Marketing and Communications
- Legal and professional services;
- IT service; and
- School Improvement

The Academy Trust charges for these services on the following basis:

- Between 7% and 8% of GAG income

The amounts charged during the year were as follows:

	2021 £	2020 £
Endsleigh Holy Child Voluntary Catholic Academy	85,630	87,150
St Mary Queen of Martyrs' Voluntary Catholic Academy	94,900	93,785
St Richard's Voluntary Catholic Academy	106,743	118,173
St Vincent's Voluntary Catholic Academy	67,962	69,994
St Charles' Voluntary Catholic Academy	64,665	71,443
St Anthony's Voluntary Catholic Academy	74,395	79,060
St Thomas More Voluntary Catholic Academy	56,483	59,934
St Mary's College Voluntary Catholic Academy	842,180	724,859
	<u>1,392,958</u>	<u>1,304,398</u>



# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 12 Trustees' Remuneration and Expenses

One Trustee has been paid remuneration or has received other benefits from employment with the Trust. The CEO only receives remuneration in respect of services provided undertaking the role of the CEO under his contract of employment.

The value of remuneration and other benefits as a Trustee was as follows:

G Fitzpatrick (CEO) (appointed from 14<sup>th</sup> January 2021)

- Received remuneration of £188,923 (2020: £Nil)
- Employers pension contributions paid £Nil (2020: £Nil)

G Fitzpatrick was appointed a Trustee on 14<sup>th</sup> January 2021. The amounts detailed above reflect the remuneration from this date.

None of the other Trustees were paid remuneration or has received other benefits from any employment with the Trust.

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020: £Nil) were reimbursed or paid directly to nil Trustees (2020: Nil).

Other related party transactions involving the Trustees are set out in note 26.

#### 13 Trustees and Officer's Insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The RPA insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2021 is behind the per pupil amount of £19 per pupil charged by RPA.

#### 14 Tangible Fixed Assets Group

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 September 2020	32,122,604	1,257,426	726,415	34,106,445
Additions	91,006	125,756	116,127	332,889
Transferred from Local Authority	3,985,000	-	-	3,985,000
At 31 August 2021	36,198,610	1,383,182	842,542	38,424,334
<b>Depreciation and Impairment</b>				
At 1 September 2020	5,035,957	507,303	425,806	5,969,066
Charge for the year	963,798	342,943	88,661	1,395,402
At 31 August 2021	5,999,755	850,246	514,467	7,364,468
<b>Carrying amount</b>				
At 31 August 2021	30,198,855	532,936	328,075	31,059,866
At 31 August 2020	27,086,647	750,123	300,609	28,137,379

Following the expansion to the Pupil Admission Numbers (PAN) at St. Mary's College, as agreed by the Local Authority, the Trust has been supported by a central capital donation of a new teaching building valued at £3,985,000. The building was valued at fair value at depreciated replacement cost by Sanderson Weatherall, Chartered Surveyors, in August 2021 and opened for use by the school 1<sup>st</sup> October 2020.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 14 Tangible Fixed Assets (continued) Trust

	Leasehold land and buildings	Computer Equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2020	29,196,127	1,257,426	492,275	30,945,828
Additions	91,006	125,756	116,127	332,889
Transferred from Local Authority	3,985,000	-	-	3,985,000
At 31 August 2021	33,272,133	1,383,182	608,402	35,263,717
<b>Depreciation &amp; impairment</b>				
At 1 September 2020	2,548,380	507,303	197,377	3,253,060
Charge for the year	817,498	342,944	87,078	1,247,520
At 31 August 2021	3,365,878	850,247	284,455	4,500,580
<b>Carrying amount</b>				
At 31 August 2021	29,906,255	532,935	323,947	30,763,137
At 31 August 2020	26,647,747	750,123	294,898	27,692,768

A valuation of the buildings was undertaken on a depreciated replacement cost basis by Sanderson Weatherall, Chartered Surveyors. A summary of the valuation is included below.

Included within leasehold land and buildings is £7,522,710 (2020: £7,585,150) relating to long leasehold land.

Where the land and buildings, including the value of the continuing right to use Diocese land and buildings at St Cuthbert's Roman Catholic Academy Trust are operated from is owned by the local authority and Diocese, the occupancy is made available to use under the terms of supplemental agreements. The substance of these arrangements is such that St Cuthbert's Roman Catholic Academy Trust is able to obtain future economic benefit from use of the assets. The land and buildings are therefore recognised in the balance sheet at fair value at the time of conversion.

Included within land and buildings are the following items stated at fair value:

Description	Effective date	Value of land £	Value of buildings £	Carrying value if held under the cost model £
St Mary Queen of Martyrs Voluntary Catholic Academy	15 May 2014	215,000	750,000	-
Endsleigh Holy Child Voluntary Catholic Academy	15 May 2014	365,000	695,000	-
St Vincent's Voluntary Catholic Academy	15 May 2014	150,000	640,000	-
St Richard's Voluntary Catholic Academy	15 May 2014	685,000	1,465,000	-
St Mary's College Voluntary Catholic Academy	1 October 2017	4,915,000	13,235,000	-
St Anthony's Voluntary Catholic Academy	1 October 2017	155,000	865,000	-
St Thomas More Voluntary Catholic Academy	1 October 2017	880,000	1,340,000	-
St Charles' Voluntary Catholic Academy	1 October 2017	440,000	700,000	-
St Mary's College Voluntary Catholic Academy – New teaching building	1 October 2020	-	3,985,000	-

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 15 Debtors

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Trade debtors	163,728	162,528	115,588	122,012
Amounts owed by subsidiary undertaking	-	9,768	-	-
Other debtors	126,563	125,948	437,558	437,004
Prepayments and accrued income	388,756	385,038	412,366	411,050
	<u>679,047</u>	<u>683,282</u>	<u>965,512</u>	<u>970,066</u>

#### 16 Creditors: amounts falling due within one year

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Trade creditors	765,916	744,054	709,908	707,963
Amounts owed to subsidiary undertaking	-	-	-	41,729
Other taxation and social security	342,237	342,237	329,368	329,368
Other creditors	375,021	375,022	371,893	371,893
Accruals and deferred income (see note 17)	271,492	270,283	294,976	292,857
	<u>1,754,666</u>	<u>1,731,596</u>	<u>1,706,145</u>	<u>1,743,810</u>

Deferred income at the period end is made up of Universal Infant Free School Meal funding for the period September 2021 to March 2022 and rates relief for the same period.

#### 17 Deferred income (Group and Trust)

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>212,022</u>	<u>183,890</u>
Deferred income at 1 September 2020	183,890	197,034
Released from previous years	(183,890)	(197,034)
Resources deferred in the year	<u>212,022</u>	<u>183,890</u>
<b>Deferred income at 31 August 2021</b>	<u>212,022</u>	<u>183,890</u>

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Creditors: amounts falling after more than one year

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Other creditors	32,752	32,752	37,752	37,752
	<u>32,752</u>	<u>32,752</u>	<u>37,752</u>	<u>37,752</u>

Included within other creditors is an amount due of £37,252, with £5,000 due within the year, (2020: £42,752) to the Diocese of Middlesbrough repayable at £5,000 per annum.

#### 19 Funds Group

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	19,065,591	(19,065,591)	-	-
Pupil premium	-	852,219	(852,219)	-	-
Universal Infant Free School Meals	-	206,742	(206,742)	-	-
Other DfE / ESFA grants	-	874,677	(874,677)	-	-
Catch Up funding	-	260,560	(260,560)	-	-
Other DfE / ESFA Covid 19 funding	-	102,970	(102,970)	-	-
Coronavirus Job Retention Scheme	-	64,761	(64,761)	-	-
Other government grants	-	1,806,129	(1,806,129)	-	-
Other restricted funds	-	28,034	(28,034)	-	-
Pension reserve	(10,632,000)	-	(1,506,000)	(2,148,000)	(14,286,000)
	<u>(10,632,000)</u>	<u>23,261,683</u>	<u>(24,767,683)</u>	<u>(2,148,000)</u>	<u>(14,286,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	26,661,576	-	(991,955)	-	25,669,621
Donation of building from LA	-	3,985,000	(79,700)	-	3,905,300
DfE group capital grants	770,133	758,249	(374,319)	-	1,154,063
	<u>27,431,709</u>	<u>4,743,249</u>	<u>(1,445,974)</u>	<u>-</u>	<u>30,728,984</u>
<b>Total restricted funds</b>	<u>16,799,709</u>	<u>28,004,932</u>	<u>(26,213,657)</u>	<u>(2,148,000)</u>	<u>16,442,984</u>
<b>Unrestricted funds</b>					
Other non DfE / ESFA Covid 19 funding	-	42,139	(42,139)	-	-
General funds	697,674	1,423,919	(1,420,003)	-	701,590
<b>Total unrestricted funds</b>	<u>697,674</u>	<u>1,466,058</u>	<u>(1,462,142)</u>	<u>-</u>	<u>701,590</u>
<b>Total funds</b>	<u>17,497,383</u>	<u>29,470,990</u>	<u>(27,675,799)</u>	<u>(2,148,000)</u>	<u>17,144,574</u>

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 19 Funds (continued) Trust

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	19,065,591	(19,065,591)	-	-
Pupil premium	-	852,219	(852,219)	-	-
Universal Infant Free School Meals	-	206,742	(206,742)	-	-
Other DfE / ESFA grants	-	1,933,638	(1,933,638)	-	-
Catch Up funding	-	260,560	(260,560)	-	-
Other DfE / ESFA Covid 19 funding	-	102,970	(102,970)	-	-
Coronavirus Job Retention Scheme	-	64,761	(64,761)	-	-
Other government grants	-	1,763,990	(1,763,990)	-	-
Other restricted funds	-	28,034	(28,034)	-	-
Pension reserve	(10,632,000)	-	(1,506,000)	(2,148,000)	(14,286,000)
	<u>(10,632,000)</u>	<u>23,219,544</u>	<u>(24,725,544)</u>	<u>(2,148,000)</u>	<u>(14,286,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	26,202,041	-	(851,155)	-	25,350,886
Donation of Building from LA	-	3,985,000	(79,700)	-	3,905,300
DfE group capital grants	770,133	758,249	(374,319)	-	1,154,063
	<u>26,972,174</u>	<u>4,743,249</u>	<u>(1,305,174)</u>	<u>-</u>	<u>30,410,249</u>
<b>Total restricted funds</b>	<u>16,340,174</u>	<u>27,962,793</u>	<u>(26,030,718)</u>	<u>(2,148,000)</u>	<u>16,124,249</u>
<b>Unrestricted funds</b>					
General funds	639,358	1,412,662	(1,438,858)	-	613,162
<b>Total funds</b>	<u>16,979,532</u>	<u>29,375,455</u>	<u>(27,469,576)</u>	<u>(2,148,000)</u>	<u>16,737,411</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the Trust's Funding Agreement with the Secretary of State, the Academy Trust was not subject to a limit GAG which could be carried forward at 31 August 2021.

Restricted General Funds are made up of various revenue grants which are defrayed throughout the year on specific educational needs.

Restricted Fixed Asset Funds represent reserves of the charity that are specifically designated for capital.

Unrestricted funds relate to funds generated from individual schools integrating with the Academy Trust and from self-generated income by the Academy Trust.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds prior year – Group

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	17,646,869	(17,646,869)	-	-
Pupil premium	-	884,569	(884,569)	-	-
UIFSM	-	226,385	(226,385)	-	-
Other DfE / ESFA grants	-	1,031,480	(1,031,480)	-	-
Covid 19 Exceptional funding	-	235,992	(235,992)	-	-
Other government grants	-	1,214,638	(1,214,638)	-	-
Other restricted funds	-	353,414	(353,414)	-	-
Pension reserve	(6,949,000)	-	(1,091,000)	(2,592,000)	(10,632,000)
	<u>(6,949,000)</u>	<u>21,593,347</u>	<u>(22,684,347)</u>	<u>(2,592,000)</u>	<u>(10,632,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	27,573,830	-	(912,254)	-	26,661,576
DfE group capital grants	475,030	540,178	(245,075)	-	770,133
	<u>28,048,860</u>	<u>540,178</u>	<u>(1,157,329)</u>	<u>-</u>	<u>27,431,709</u>
<b>Total restricted funds</b>	<u>21,099,860</u>	<u>22,133,525</u>	<u>(23,841,676)</u>	<u>(2,592,000)</u>	<u>16,799,709</u>
<b>Unrestricted funds</b>					
General funds	<u>720,947</u>	<u>2,080,620</u>	<u>(2,103,893)</u>	<u>-</u>	<u>697,674</u>
<b>Total funds</b>	<u>21,820,807</u>	<u>24,214,145</u>	<u>(25,945,569)</u>	<u>(2,592,000)</u>	<u>17,497,383</u>

  

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	17,646,869	(17,646,869)	-	-
Pupil premium	-	884,569	884,569	-	-
UIFSM	-	226,385	226,385	-	-
Other DfE / ESFA grants	-	1,031,480	(1,031,480)	-	-
Covid 19 Exceptional funding	-	235,992	(235,992)	-	-
Other government grants	-	1,214,638	(1,214,638)	-	-
Other restricted funds	-	353,414	(353,414)	-	-
Pension reserve	(6,949,000)	-	(1,091,000)	(2,592,000)	(10,632,000)
	<u>(6,949,000)</u>	<u>21,593,347</u>	<u>(22,684,347)</u>	<u>(2,592,000)</u>	<u>(10,632,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	26,973,495	-	(771,454)	-	26,202,041
DfE group capital grants	475,030	540,178	(245,075)	-	770,133
	<u>27,448,525</u>	<u>540,178</u>	<u>(1,016,529)</u>	<u>-</u>	<u>26,972,174</u>
<b>Total restricted funds</b>	<u>20,499,525</u>	<u>22,133,525</u>	<u>(23,700,876)</u>	<u>(2,592,000)</u>	<u>16,340,174</u>
<b>Unrestricted funds</b>					
General funds	<u>677,664</u>	<u>2,080,620</u>	<u>(2,118,926)</u>	<u>-</u>	<u>639,358</u>
<b>Total funds</b>	<u>21,177,189</u>	<u>24,214,145</u>	<u>(25,819,802)</u>	<u>(2,592,000)</u>	<u>16,979,532</u>

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 19 Funds (Continued)

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
<b>Total funds analysis by academy</b>				
Fund balances at 31 August were allocated as follows:				
Endsleigh Holy Child Voluntary Catholic Academy	198,246	198,246	206,716	206,716
St Mary Queen of Martyrs' Voluntary Catholic Academy	163,462	163,462	170,446	170,446
St Richard's Voluntary Catholic Academy	779	779	812	812
St Vincent's Voluntary Catholic Academy	109,099	109,099	113,760	113,760
St Charles' Voluntary Catholic Academy	104,538	104,538	109,004	109,004
St Anthony's Voluntary Catholic Academy	121,238	121,238	126,419	126,417
St Thomas More Voluntary Catholic Academy	(115,883)	(115,883)	(120,834)	(120,834)
St Mary's College Voluntary Catholic Academy	31,683	31,683	33,037	33,037
St Mary's College Sports Development Company	88,428	-	58,314	-
Central services	-	-	-	-
Total before fixed assets fund and pension reserve	<u>701,590</u>	<u>613,162</u>	<u>697,674</u>	<u>639,358</u>
Restricted fixed asset fund	30,728,984	30,410,249	27,431,709	26,972,174
Pension reserve	<u>(14,286,000)</u>	<u>(14,286,000)</u>	<u>(10,632,000)</u>	<u>(10,632,000)</u>
Total funds	<u>17,144,574</u>	<u>16,737,411</u>	<u>17,497,383</u>	<u>16,979,532</u>

The above funds in deficit are being closely monitored by management. Income and costs are being reviewed with the aim of returning the school's funds to a surplus within two academic years.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 19 Funds (continued)

#### Total cost analysis by academy – group

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£	£	£	£	£	£
Endsleigh Holy Child Voluntary Catholic Academy	995,680	103,822	40,271	157,755	1,297,528	1,235,779
St Mary Queen of Martyrs' Voluntary Catholic Academy	1,167,701	121,486	46,027	160,795	1,496,009	1,547,940
St Richard's Voluntary Catholic Academy	1,233,403	137,587	38,301	217,130	1,626,421	1,718,862
St Vincent's Voluntary Catholic Academy	799,046	92,759	35,206	172,983	1,099,994	985,005
St Charles' Voluntary Catholic Academy	732,877	122,666	31,013	143,721	1,030,277	994,245
St Anthony's Voluntary Catholic Academy	851,222	90,826	38,144	189,690	1,169,882	1,063,129
St Thomas More Voluntary Catholic Academy	760,258	74,077	27,954	157,891	1,020,180	1,012,147
St Mary's College Voluntary Catholic Academy	10,205,612	1,618,534	706,338	1,587,143	14,117,627	13,127,409
St Mary's Sports Development Company	-	-	-	129,331	129,331	129,690
Central services	713,470	540,415	177,341	457,331	1,888,557	1,823,890
Non attributable pension costs	-	1,314,000	-	192,000	1,506,000	1,091,000
	17,459,269	4,216,172	1,140,595	3,565,770	26,381,806	24,729,096



# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 19 Funds (continued)

#### Total cost analysis by academy - Trust

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2021	Total 2020
	£	£	£	£	£	£
Endsleigh Holy Child Voluntary Catholic Academy	995,680	103,822	40,271	157,755	1,297,528	1,235,779
St Mary Queen of Martyrs' Voluntary Catholic Academy	1,167,701	121,486	46,027	160,795	1,496,009	1,547,940
St Richard's Voluntary Catholic Academy	1,233,403	137,587	38,301	217,130	1,626,421	1,718,862
St Vincent's Voluntary Catholic Academy	799,046	92,759	35,206	172,983	1,099,994	985,005
St Charles' Voluntary Catholic Academy	732,877	122,666	31,013	143,721	1,030,277	994,245
St Anthony's Voluntary Catholic Academy	851,222	90,826	38,144	189,690	1,169,882	1,063,129
St Thomas More Voluntary Catholic Academy	760,258	74,077	27,954	157,891	1,020,180	1,012,147
St Mary's College Voluntary Catholic Academy	10,205,612	1,618,534	706,338	1,587,143	14,117,627	13,127,409
Central Services	713,470	540,415	177,341	457,331	1,888,557	1,823,890
Non attributable pension costs	-	1,314,000	-	192,000	1,506,000	1,091,000
	<u>17,459,269</u>	<u>4,216,172</u>	<u>1,140,595</u>	<u>3,436,439</u>	<u>26,252,475</u>	<u>24,599,406</u>

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20 Analysis of Net Assets between Funds Group

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by</b>				
Tangible fixed assets	632,147	-	30,427,719	31,059,866
Current assets	377,324	1,479,537	301,265	2,158,126
Creditors falling due within one year	(307,881)	(1,446,785)	-	(1,754,666)
Creditors falling due after one year	-	(32,752)	-	(32,752)
Defined benefit pension liability	-	(14,286,000)	-	(14,286,000)
<b>Total net assets</b>	<b>701,590</b>	<b>(14,286,000)</b>	<b>30,728,984</b>	<b>17,144,574</b>

#### Analysis of net assets between funds Trust

#### Fund balances at 31 August 2021 are represented by:

Tangible fixed assets	654,113	-	30,109,024	30,763,137
Current assets	239,636	1,494,971	301,225	2,035,832
Creditors falling due within one year	(280,587)	(1,462,219)	-	(1,742,806)
Creditors falling due after one year	-	(32,752)	-	(32,752)
Defined benefit pension liability	-	(14,286,000)	-	(14,286,000)
<b>Total net assets</b>	<b>613,162</b>	<b>(14,286,000)</b>	<b>30,410,249</b>	<b>16,737,411</b>

#### Analysis of net assets between funds Group – prior year

Tangible fixed assets	861,517	-	27,275,862	28,137,379
Current assets	260,620	1,319,434	155,847	1,735,901
Creditors falling due within one year	(424,463)	(1,281,682)	-	(1,706,145)
Creditors due after one year	-	(37,752)	-	(37,752)
Defined benefit pension liability	-	(10,632,000)	-	(10,632,000)
<b>Total net assets</b>	<b>697,674</b>	<b>(10,632,000)</b>	<b>27,431,709</b>	<b>17,497,383</b>

#### Analysis of net assets between funds Trust – prior year

Tangible fixed assets	876,441	-	26,816,327	27,692,768
Current assets	170,950	1,373,529	155,847	1,700,326
Creditors falling due within one year	(408,033)	(1,335,777)	-	(1,743,810)
Creditors due after one year	-	(37,752)	-	(37,752)
Defined benefit pension liability	-	(10,632,000)	-	(10,632,000)
<b>Total net assets</b>	<b>639,358</b>	<b>(10,632,000)</b>	<b>26,972,174</b>	<b>16,979,532</b>

#### 21 Contingent Liabilities

In the St Mary's College Sports Development Company, in the event of the leasehold property being disposed of before October 2024 the grant received from Sports England amounting to £2,473,884 may be repayable and VAT recovered of £513,692 may be repayable.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 22 Commitments under Operating Leases

At 31 August the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Amounts due within one year	122,703	122,703	153,808	153,808
Amounts due between one and five years	65,379	65,379	204,629	204,629
	<u>188,082</u>	<u>188,082</u>	<u>358,437</u>	<u>358,437</u>

#### 23a Reconciliation of Net Income to Net Cash Flow from Operating Activities

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Net income for the reporting period (as per statement of financial activities)	1,795,191	1,905,880	(1,731,424)	(1,605,657)
Capital grants from DfE/ESFA	(4,743,249)	(4,743,249)	(540,178)	(540,178)
Interest receivable	(197)	(197)	(1,835)	(1,835)
Defined pension benefit scheme cost less contributions payable	1,314,000	1,314,000	942,000	942,000
Defined benefit pension scheme finance cost	192,000	192,000	149,000	149,000
Depreciation and impairment	<u>1,395,402</u>	<u>1,247,520</u>	<u>1,219,473</u>	<u>1,071,245</u>
	(46,853)	(84,046)	37,036	14,575
Decrease/(Increase)/ in debtors	286,465	275,574	(241,305)	(256,865)
(Decrease)/Increase in creditors	<u>43,521</u>	<u>(6,005)</u>	<u>(55,530)</u>	<u>(9,812)</u>
Net cash provided/(used in) by operating activities	<u>283,133</u>	<u>185,523</u>	<u>(259,799)</u>	<u>(252,102)</u>

#### 23b Analysis of Changes in Net Funds

	At 1 September 2020 £	Cash flows £	Other non-cash changes £	At 31 August 2021 £
<b>Cash</b>				
Cash equivalents	770,389	708,690	-	1,479,079
	<u>770,389</u>	<u>708,690</u>	<u>-</u>	<u>1,479,079</u>
Loans falling due within one year	(5,000)	-	-	(5,000)
Loans falling due after more than one year	<u>(37,752)</u>	<u>5,000</u>	<u>-</u>	<u>(32,752)</u>
<b>Total</b>	<u>727,637</u>	<u>692,712</u>	<u>-</u>	<u>1,441,327</u>

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

#### 25 Pension and Similar Obligations

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 East Riding Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and of the LGPS 31 March 2019.

Contributions amounting to £359,481 (2020 - £360,550) were payable to the schemes at 31 August and are included within creditors.

#### 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 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.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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 was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuation and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI.

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

As a result of the valuation, new employer contributions rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 25 Pension and Similar Obligations (Continued)

The employer's pension costs paid to the TPS in the period amounted to £2,261,108 (2020: £2,215,874).

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate Trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.8% for employers and 5.5% – 12.5% 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.

Total contributions made	2021 £	2020 £
Employer's contributions	917,000	819,000
Employees' contributions	304,000	255,000
Total contributions	<u>1,221,000</u>	<u>1,074,000</u>

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 August 2021 by a qualified independent actuary.

	2021 %	2020 %
Rate of increase in salaries	2.0	3.1
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	<u>1.65</u>	<u>1.7</u>

The assumed life expectations on retirement age 65 are

	2021 Years	2020 Years
Retiring today		
- Males	21.0	20.9
- Females	23.7	23.3
Retiring in 20 years		
- Males	22.2	21.8
- Females	<u>25.5</u>	<u>24.8</u>

#### The Academy Trust's share of the assets in the scheme

	2021 £	2020 £
Equities	8,220,000	6,012,000
Bonds	2,145,000	1,457,000
Cash	238,000	546,000
Property	<u>1,311,000</u>	<u>1,094,000</u>
Total fair value of assets	<u>11,914,000</u>	<u>9,109,000</u>

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 25 Pension and similar obligations (Continued)

The actual return on scheme assets was £1,708,000 (2020: £40,000).

#### Amount recognised in the Statement of Financial Activities

	2021 £	2020 £
Current service cost	2,231,000	1,761,000
Net interest cost	192,000	149,000
Total operating charge	<u>2,423,000</u>	<u>1,910,000</u>

#### Changes in the present value of defined benefit obligations

	2021 £	2020 £
At 1 September 2020	19,741,000	15,082,000
Current service cost	2,231,000	1,761,000
Interest cost	356,000	321,000
Employee contributions	304,000	255,000
Actuarial loss	3,692,000	2,460,000
Benefits paid	(124,000)	(138,000)
At 31 August 2021	<u>26,200,000</u>	<u>19,741,000</u>

#### Changes in the fair value of the Academy Trust's share of scheme assets

	2021 £	2020 £
At 1 September 2020	9,109,000	8,133,000
Interest income	164,000	172,000
Return on plan assets (excl. net interest on net defined benefit pension liability)	1,544,000	(132,000)
Employer contributions	917,000	819,000
Employee contributions	304,000	255,000
Benefits paid	(124,000)	(138,000)
At 31 August 2021	<u>11,914,000</u>	<u>9,109,000</u>

# ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 26 Related Party Transactions

C Fearnley spouse of P Fearnley, chair of the board, is employed by the Academy Trust as a teaching assistant paid within the normal pay scale for her role in the Trust and received no special treatment as a result of her relationship to a Trustee. The appointment was made in open competition and Trustee was not involved in the decision-making process regarding appointment.

L Fearnley the mother of P Fearnley, chair of the board, is employed by the Academy Trust as a teacher paid within the normal pay scale for her role in the Trust and received no special treatment as a result of her relationship to a Trustee. The appointment was made in open competition and Trustee was not involved in the decision-making process regarding appointment.

M Ward the son of A Ward, a Trustee, is employed by the Academy Trust as a teacher paid within the normal pay scale for her role in the Trust and received no special treatment as a result of her relationship to a Trustee. The appointment was made in open competition and Trustee was not involved in the decision-making process regarding appointment.

During the year St Mary's College Sports Development Company, a company controlled by the Trust, provided sports facilities to the Trust totalling £112,104 (2020: £112,104). The Trust also recharged salary and premises cost to the company totalling £87,734 (2020: £86,303).

Key management personnel compensation disclosure is detailed in note 9.

# **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 6 June 2018 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by St Cuthbert's Roman Catholic Academy Trust during the period 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.

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

## **Basis for conclusion**

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trust. We are independent of St Cuthbert's Roman Catholic Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of St Cuthbert's Roman Catholic Academy Trust's accounting officer and trustees**

The accounting officer is responsible, under the requirements of St Cuthbert's Roman Catholic Academy Trust's funding agreement with the Secretary of State for Education dated May 2014 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of St Cuthbert's Roman Catholic Academy Trust and appointment of the accounting officer.

## **Reporting Accountant's responsibilities for reporting on regularity**

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 period 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.



# INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST CUTHBERT'S ROMAN CATHOLIC ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2020 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

## Use of our report

This report is made solely to St Cuthbert's Roman Catholic Academy Trust and the ESFA in accordance with the terms of our engagement letter dated 6 June 2018. Our work has been undertaken so that we might state to the St Cuthbert's Roman Catholic Academy Trust and the 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 Cuthbert's Roman Catholic Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

**RSM UK AUDIT LLP**  
Chartered Accountants  
First Floor  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

15 December 2021