
The Painsley Catholic Academy
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

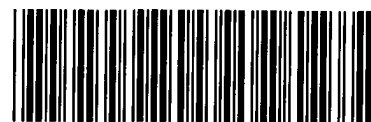
YEAR ENDED 31 AUGUST 2019

Company Registration Number
08146661 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

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The Painsley Catholic Academy
(A Company Limited by Guarantee)

Report and Financial Statements

Year ended 31 August 2019

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The Painsley Catholic Academy
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Reference and Administrative Details

Members:	Barberi Newman Academy Trust
Trustees:	Mr J. Pennington * (resigned 31/8/19) Mr K. Wilson (Chair) (appointed 1/9/18) * Mr J. Holt # Mrs B. Williams # Mrs S. Hancox (appointed 1/9/18) * Ms C. McGarrigle (appointed 1/9/18) # Mr S. Bell (resigned 31/1/19) Mr R. Bennett (resigned 31/1/19) Mr P. Carroll (resigned 31/1/19) Mr R. Gibson (resigned 31/1/19) Mr B. Hutchinson (resigned 31/1/19) Mrs S Mills (resigned 31/1/19) Mrs C. Tomlinson (resigned 31/1/19) Mr P. Wilks (resigned 31/1/19) Mrs G. Wretham (resigned 31/1/19) * members of the Resources and Pay committee # members of the Audit and Risk committee
Company Secretary:	Mrs J. Bradbury
Senior Executive Team:	Mr S.G. Bell (CEO and Accounting Officer) Mrs J. Bradbury (Chief Operating and Financial Officer) Mrs G. Wretham (Deputy CEO) Mrs C. Horton (Deputy CEO)
Senior Management Team:	Mrs R. Waugh (Acting Principal, Painsley Catholic College) Mrs C. Tomlinson (Principal, St. Filumena's) Mrs G. Wretham (Principal, St. Giles) Mrs L. Machin (Principal, The Faber) Mrs S. Baxter (Acting Principal, St. Thomas') Mrs L. Sassi (Principal, St. Joseph's) Mrs G. Turner (Head of School, St. Mary's, Leek) Mr K. Brown (Principal, Blessed William Howard) Mrs C. Williams (Principal, St. Patrick's) Mrs M. Hoyle (Head of School, St. Austin's) Mrs B. Corbett (Executive Headteacher: St. Austin's and St. Mary's, Brewood) Mrs L. Boland (Head of School, St. Mary's, Brewood)

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Reference and Administrative Details (continued)

**Senior Management Team
(continued)**

Mrs M. T. Cornes (Principal, St. John's)
Mrs D. Stokes (Principal, St. Dominic's)
Mrs N. Hannett (Principal, St. Anne's)
Mrs C. Horton (Principal, Blessed Mother Teresa's)

Principal and Registered Office: Station Road
Cheadle
Stoke-on-Trent
Staffordshire ST10 1LH

Company Registration Number: 08146661

Independent Auditor: Feltons
Chartered Accountants & Business Advisers
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

Bankers: Lloyds Bank
10 High Street
Cheadle
Staffordshire ST10 1AF

Solicitors: Browne Jacobson
Victoria Square House
Victoria Square
Birmingham B2 4BU

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates a multi-academy for pupils aged 3 to 18 serving a catchment area in North and South Staffordshire. The multi academy operates the following 15 primary/secondary schools :

- Blessed Mother Teresa's Catholic Primary School
- Blessed William Howard Catholic High School
- Painsley Catholic College
- St Anne's Catholic Primary School
- St Austin's Catholic Primary School, Stafford
- St Dominic's Catholic Primary School, Stone
- St Filumena's Catholic Primary School, Caverswall
- St Giles' Catholic Primary School, Cheadle
- St Joseph's Catholic Primary School, Uttoxeter
- St John's Catholic Primary School, Great Haywood
- St Mary's Catholic Academy, Leek
- St Mary's Catholic Primary School, Brewood
- St Patrick's Catholic Primary School, Stafford
- St Thomas' Catholic Primary School, Cheadle
- The Faber Catholic Primary School, Cotton

Its academies have a combined pupil capacity of 4,751 and had a roll of 4,205 in the school census January 2019. This includes 326 students on roll in the Sixth Forms on the January census.

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 trustees of The Painsley Catholic Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Painsley Catholic Academy.

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Trustees' report (continued)

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

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.

Trustees Indemnities

Under the Companies Act 2006 s236, the Trustees confirm that during 2018/19 there were no third party indemnity provisions in operation.

Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Any persons may be appointed by the Foundation Member (Barberi and Newman Academy Trust). The Founder Member may appoint such additional Members as it thinks fit and may remove any such additional Members appointed by it. If the Founder Member ceases to exist and is not replaced by a successor institution, or becomes insolvent or makes any arrangement or composition with its creditors generally its right to appoint Members under the Articles shall vest in the Diocesan Bishop.

Every person nominated to be a Member of the Company shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

As part of the procedures for the recruitment of new members, the completion of the Academy Foundation Director Application Form is compulsory and submitted to the Diocese for the approval of the Archbishop. Any new member must also complete the Deed of Adherence to the Scheme of Delegation and an undertaking to the Diocesan Bishop.

The structure of the Board of Directors includes 5 Foundation Directors and 1 co-opted Director.

Policies and procedures adopted for the Induction and Training of Trustees

All Trustees are provided with, will have read and understood the terms of: The Articles of Association, The Master Funding Agreement, The Supplemental Funding Agreement, the lease entered into by the Company as tenant with the Members as landlord and the lease entered into by the Company as a tenant with Staffordshire County Council as landlord.

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Trustees' report (continued)

Organisational Structure

The Board of Directors are responsible for the overall strategic direction of The Painsley Catholic Academy. The Directors have a duty to act in the fulfilment of the Company's objects.

The Directors are responsible for setting general policies across the multi-academy, adopting an annual Academy Implementation Plan, agreeing the budget for each school, monitoring the multi-academy by the use of budgets and making strategic decisions about the direction of the multi-academy, capital expenditure and senior staff appointments.

Leadership and Management across the academy is delegated by Directors to the Trust's Senior Executive Team ie Chief Executive Officer/Accounting Officer, Deputy Chief Executive Officers and the Trust's Chief Operating/Financial Officer. In addition, each of the 15 schools has a Senior Leadership Team. The Senior Leadership Teams are responsible for implementing the policies laid down by Directors and reporting back to them through the various committees and their Local Governing Bodies. The Accounting Officer has overall responsibility for the Trust's financial matters, resources and oversight of financial transactions. The Chief Financial Officer has the responsibility for the Trust's detailed financial procedures. Some spending control is devolved to designated budget holders within a hierarchy of limits and in accordance with the approved Financial Regulations, Financial Scheme of Delegation and the Academies Financial Handbook.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the academy's Senior Executive Team and key management personnel is considered during the annual appraisal and performance management process. The Chief Executive/Accounting Officer, Deputy Chief Executive Officers, Chief Operating/Financial Officer and the Principals each have their performance management with a committee made up of two directors and an independent external educational adviser.

Following the performance management review, any proposed pay progression for the staff across the schools is presented to the Resources committee for approval following the appraisal process. Any pay progression for the Senior Executive Team is approved by the Board of Directors following the performance management process. The Board of Directors approve the 'Setting Executive Pay' policy, process and procedure on an annual basis.

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Trustees' report (continued)

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2017 is as follows :

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£3,603
Total pay bill	£18,424,330
Facility time as percentage of total pay bill	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	-
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Trustees' report (continued)

Related Parties and other Connected Charities and Organisations

During 2018/19 Painsley Catholic College procured various hardware items throughout the year. Some of these items were purchased through E. S Wilks & Son Ltd, trading as 'Homepoint', Cheadle, Staffordshire. Mr Peter Wilks, who was a Trustee of The Painsley Catholic Academy until 31/1/19, is a Local Governing Body representative of Painsley Catholic College and is also a Director and Company Secretary of E. S. Wilks & Son Ltd.

The Academy has purchased small hardware items from E. S. Wilks & Son Ltd for a number of years, as this hardware shop is the main one in Cheadle, Staffordshire and convenient for the Academy Caretakers and site staff to use for general day-to-day hardware items.

Mr Wilks has completed a proforma statement of assurance for related party transactions.

Objectives and Activities

Objects and aims

The principal object and aims of the Company are specifically restricted to the following: 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 offering a broad and balanced curriculum and conducted as Catholic Schools in accordance with the Code of Canon Law of the Latin Church from time-to-time and the doctrinal, social and moral teachings of the Catholic Church from time-to-time and following the directives and policies issued by the Diocesan Bishop to ensure that the formation, governance and education of the Academies is based on the principles of Catholic doctrine, and at all times serving as a witness to the Catholic faith in our Lord Jesus Christ.

Objectives, Strategies and Activities

On 1 September 2018, the Holy Trinity Catholic Academy merged with The Painsley Catholic Academy forming a multi-academy of fifteen schools. All staff within the Holy Trinity Catholic Academy transferred over to The Painsley Catholic Academy. The newly enlarged Painsley Catholic Academy's motto is 'Better Together'.

The Academy's main strategy is encompassed in its mission statement: *"With Christ at our heart, we will nurture and inspire each other to become the people he calls us to be".*

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Trustees' report (continued)

The 2018/19 academy-wide targets were:

- W1 Percentage attendance to be 97%
- W2 Catholic life report will be produced once a year to reflect the spiritual life and quality of Religious Education in the schools (including British Values)
- W3 Common termly assessments in reading, writing and maths to be carried out with moderation across the Trust primary schools
- W4 All staff meetings are scheduled with a calendared agenda that aligns to the development plan, data entry points and the whole school calendar
- W5 New common report format developed
- W6 Assessment Policy embedded across the Painsley North Trust with progress towards a Trust-wide policy
- W7 Analysis of whole-school data every term
- W8 Co-ordinators to share data with teachers and highlight those in each class requiring intervention. Intervention to be in place promptly after data discussions
- W9 Trust schools to carry out effective moderation following termly assessments. To include the effectiveness, quality and rigour of the assessments
- W10 Achieve RRS accreditation
- W11 To update the safeguarding policy in line with county and national guidance
- W12 All staff set actionable success criteria (SC), appropriately pitched to maximise children's progress for all lessons and homework tasks
- W13 LGBs to be an effective forum for self-evaluation, accountability and review
- W14 Nominate LGB members for SEND, safeguarding, pupil premium, health and safety, and financial matters
- W15 Monthly work scrutiny with findings used to ensure the sharing of good practice
- W16 New curriculum models to be embedded
- W17 To ensure all Business and Financial returns are submitted to ESFA in a timely manner, including the end-of-year accounts and financial statements for the academy
- W18 Centralised data submitted in a timely and accurate manner with benchmarking exercises completed
- W19 Complete peer reviews and participate in external reviews as required
- W20 Hold weekly LG meetings and fortnightly Subject Lead meetings with minutes submitted to CEO and DCEO

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Trustees' report (continued)

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the Academy's objectives and aims and in planning future activities for the year. The Trustees consider that the Academy's aims are demonstrably to the public benefit.

STRATEGIC REPORT

Achievements and Performance

A RAG-rated summary of the 2018/19 whole-trust targets are as follows:

Academy-wide Targets

- W1 Percentage attendance to be 97%
- W2 Catholic life report will be produced once a year to reflect the spiritual life and quality of Religious Education in the schools (including British Values)
- W3 Common termly assessments in reading, writing and maths to be carried out with moderation across the Trust primary schools
- W4 All staff meetings are scheduled with a calendared agenda that aligns to the development plan, data entry points and the whole school calendar
- W5 New common report format developed (not considered as a priority this year)
- W6 Assessment Policy embedded across the Painsley North Trust with progress towards a Trust-wide policy
- W7 Analysis of whole-school data every term
- W8 Co-ordinators to share data with teachers and highlight those in each class requiring intervention. Intervention to be in place promptly after data discussions
- W9 Trust schools to carry out effective moderation following termly assessments. To include the effectiveness, quality and rigour of the assessments
- W10 Achieve RRS accreditation
- W11 To update the safeguarding policy in line with county and national guidance
- W12 All staff set actionable success criteria (SC), appropriately pitched to maximise children's progress for all lessons and homework tasks

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Trustees' report (continued)

- W13 LGBs to be an effective forum for self-evaluation, accountability and review
- W14 Nominate LGB members for SEND, safeguarding, pupil premium, health and safety and financial matters
- W15 Monthly work scrutiny with findings used to ensure the sharing of good practice
- W16 New curriculum models to be embedded
- W17 To ensure all Business and Financial returns are submitted to ESFA in a timely manner, including the end-of-year accounts and financial statements for the academy
- W18 Centralised data submitted in a timely and accurate manner with benchmarking exercises completed
- W19 Complete peer reviews and participate in external reviews as required
- W20 Hold weekly LG meetings and fortnightly Subject Lead meetings with minutes submitted to CEO and DCEO

The targets that have not been fully met are part of the new academy Implementation Plans for 2019/20 with the exception of RRS and common report formats as these are not considered to be a priority.

Key Performance Indicators

Primary schools

70% of the measures at KS2 increased from 2018

Every school significantly outperformed national outcomes in reading at the expected standard

Every school with the exception of St Patrick's and The Faber outperformed the national percentage of pupils achieving greater depth in reading

85% of primary schools significantly outperformed national outcomes in maths at the expected standard with the exception being St Patrick's and The Faber (numbers statistically not significant)

69% of primary schools increased their progress scores in reading

92% of primary schools had a positive reading progress score

62% of primary schools increased their progress scores in maths

69% of primary schools had a positive maths progress score in maths

54% of primary schools increased their progress score in writing

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Trustees' report (continued)

92% of primary schools had a positive progress score in writing

Secondary Schools: all Year 11 students	Painsley actual 18	Painsley actual 19	BWH actual 18	BWH actual 19
KS2 Fine level	4.98	5.07	4.96	5.28
Number of students	187	203	147	146
Percentage of low prior attainment	4	2	10	8
Percentage of middle prior attainment	45	40	38	39
Percentage of high prior attainment	51	58	52	53
Percentage EAL	3	4	6	2
Percentage SEN – EHCP	1	1	0	1
Percentage SEN support	6	7	10	8
Attainment 8	56.1	56.8	48.47	46.55
Students achieving standard pass (4+) in English and maths (%)	84%	80%	64	66
Students achieving strong pass (5+) in English and maths (%)	62%	61%	48	45
Standard pass in English (%)	92%	91%	72.8	78.1
Strong pass in English (%)	81%	80%	65.3	70.5
Standard pass in maths (%)	88%	86%	68	68.5
Strong pass in maths (%)	68%	68%	54.4	45.2
Percentage entered for the Ebacc	82%	81%	29.9	16
Ebacc APS	5.13	5.24	4.07	3.85
Students entered for a humanities subject	98%	99%	67	68
Students entered for a language	85%	83%	33	18
APS English Attainment	11.76	11.76	10.33	10.49
APS maths Attainment	11.04	10.86	9.27	9.05
APS science) Ebacc	5.32	5.5	3.21	4.28
APS humanities) Ebacc	5.22	5.4	3.93	3.77
APS languages	3.51	3.7	1.77	1.19
Progress 8 score	0.52	0.41	-0.22	-0.24
Progress 8 score for English element	0.48	0.31	-0.2	-0.03
Progress 8 score for maths element	0.52	0.23	-0.33	-0.31
Progress 8 score for English Baccalaureate element	0.48	0.43	-0.31	-0.55
Progress 8 score for Open element	0.54	0.59	-0.08	-0.17
Attainment 8 score for English element	11.77	11.76	10.33	10.49
Attainment 8 score for maths element	11.04	10.87	9.27	9.08
Attainment 8 score for English Baccalaureate element	16.21	16.76	13.76	12.77
Attainment 8 score for Open element	17.06	17.33	15.11	14.2
Progress 8 score LPA	1.2	0.53	-0.54	-0.49

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Trustees' report (continued)

Progress 8 score MPA	0.5	0.36	-0.51	-0.47
Progress 8 score HPA	0.5	0.45	0.05	-0.1

Disadvantaged information for Year 11	Painsley actual 18	Painsley actual 19	BWH actual 18	BWH actual 19
KS2 Fine level	4.58	4.93	4.49	5.28
Number of disadvantaged students	16	17	30	26
Percentage of disadvantaged students	9	7	21	18
Attainment 8: disadvantaged	44	50.1	34.52	40.46
Disadvantaged students achieving standard pass (4+) in English and maths (%)	69	59%	30	50
Disadvantaged students achieving strong pass (5+) in English and maths (%)	31	35%	20	28.6
Disadvantaged standard pass in English (%)	77%	88%	39.4	64.3
Disadvantaged strong pass in English (%)	47%	83%	30.3	53.6
Disadvantaged standard pass in maths (%)	64%	71%	39.4	50
Disadvantaged strong pass in maths (%)	29%	41%	33.3	28.6
Disadvantaged percentage entered for the Ebacc	56%	59%	18.2	7.1
Disadvantaged Ebacc APS	3.82	4.41	2.79	3.08
Disadvantaged students entered for a humanities subject	100%	88%	12	12
Disadvantaged students entered for a language	53%	71%	9	7.7
Disadvantaged APS English	9.6	10.82	7.52	8.79
Disadvantaged APS maths	8.9	9.5	6.61	7.57
Disadvantaged APS science) Attainment Ebacc	4.1	4.65	2.41	2.54
Disadvantaged APS humanities) Attainment Ebacc	3.6	4.06	1.75	2.57
Disadvantaged APS MFL) Attainment Ebacc	1.88	2.94	1.3	2.33
Disadvantaged Progress 8 score	-0.1	-0.04	-0.88	-0.69
Progress 8 score for English - disadvantaged	-0.06	-0.09	-0.95	-0.7
Progress 8 score for maths element – disadvantaged	0.11	-0.15	-0.94	-0.57
Progress 8 score for English Baccalaureate element – disadvantaged	-0.22	-0.13	-0.92	-0.77
Progress 8 score for Open element – disadvantaged	-0.14	-0.31	-0.79	-0.6
Attainment 8 average score - disadvantaged	44.03	48.23	35.42	36.54
Attainment 8 score for English element	9.63	10.53	7.47	8.23
Attainment 8 score for maths element	9.77	9.07	6.4	6.85
Attainment 8 score for English Baccalaureate element	12.06	13.4	9.57	10

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Trustees' report (continued)

Attainment 8 score for Open element	13.47	15.23	11.08	11.46
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	Painsley actual 18	Painsley actual 19	BWH actual 18	BWH actual 19
Key Stage 5				
Number of students	83	126	53	46
Average score per A Level entry	34.1	32.09	31.3	31.55
Average score per Academic entry	34.1	32.85	31.3	31.92
Average score per Applied General entry	30	22.62	28.4	31.67
English resit GCSE students	1	3		0
Maths resit GCSE students	4	6		6
English progress score	1	1		N/A
Maths progress score	0.63	0.42		1
Disadvantaged Key Stage 5				
Number of disadvantaged A level students	5	6	4	4
Average score per A Level entry	26.36	32.78	32.5	23.08
Number of disadvantaged Academic entry students	5	6	4	4
Average score per Academic entry	26.89	34.19	32.5	23.08
Number of disadvantaged Applied General entry students	2	1	0	2
Average score per Applied General entry	35	15	0	31.67
English resit GCSE students - disadvantaged	0	0	0	0
Maths resit GCSE students -disadvantaged	0	1	0	0
English progress score -disadvantaged	N/A	N/A	N/A	N/A
Maths progress score - disadvantaged	N/A	-0.5	N/A	N/A

Ofsted Inspections during 2018/19

OFSTED inspected 8 schools during 2018/19. 3 were deemed to be moving to outstanding; 3 Good and 2 RI (the Trust is credited as the reason for them not being inadequate).

Dates and outcomes of the inspections were as follows:

School	Date of Inspection	Outcome
St Giles'	13 November 2018	Good
Blessed William Howard	29 January 2019	Good
St. Patrick's	29 January 2019	Requires Improvement
St. Mary's, Brewood	5 February 2019	Good
St. Dominic's	13 February 2019	Good
St. John's	31 January 2019	Requires Improvement
Blessed Mother Teresa's	26 February 2019	Good
St. Austin's	27 February 2019	Good

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Trustees' report (continued)

Some of the comments made by inspectors are set out below:

"Since your appointment in September 2018, when the school joined the Painsley multi-academy trust, you have acted decisively to improve the quality of teaching and to secure better outcomes for pupils. With the strong support of the trust's chief executive officer (CEO) and the board of directors, you are implementing an ambitious improvement agenda. As a result, the culture of the school is changing rapidly and there is a strong sense of purpose among staff and pupils at Blessed William Howard Catholic School." BWH

"Directors, governors and leaders have an excellent understanding of their roles. They have put effective routines in place to strengthen teaching, improve the curriculum and boost pupils' progress. Everyone in the school community says that they feel supported in their work and that the school is on an upward journey." St Patrick's

"Governors have a wide range of skills and experience. They use these effectively in holding leaders to account. Members of the local governing board, who work closely with directors of the Painsley Catholic multi-academy company (MAC), are knowledgeable about the school's strengths and priorities for development. Together, they hold you and other leaders to account effectively. Governors value the information you provide about the performance of the school and the actions you are taking to improve outcomes further. Despite the recent move to the Painsley Catholic Academy, there are clear lines of accountability between senior leaders, the local governing board and the trust. This helps everyone understand very clearly their role in supporting and challenging the school to achieve even more impressive outcomes." St Mary's, Brewood

"You are relentless in your drive for improvement and make sure that the school goes the extra mile to ensure that the needs of pupils are met. Together with a dedicated deputy headteacher, determined senior leaders and a skilled chief executive officer (CEO) of the Painsley Catholic Academy, of which the school is a member, you have ensured that the school continues to improve at a fast pace. Standards across school are excellent with pupil performance at the end of key stages broadly at, but mostly above national figures year on year." St Dominic's

"Leaders and members of the Trust are ambitious for the school and its pupils. The headteacher has made positive changes in the school. Communication has improved, behaviour has been addressed and positive relationships have been established. Parents have greater confidence in the school and appreciate the impact of school leaders." St John's

"Members of the local governing body and the board of directors of the Painsley Catholic Academy Company offer strong support and appropriate challenge to leaders. They are helping to improve the school. The MAC has enhanced capacity in the school, provided leadership development opportunities and increased accountability at all levels. There are now more

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Trustees' report (continued)

rigorous procedures in place to evaluate the school's effectiveness than were evident at the time of the previous inspection." Blessed Mother Teresa.

Key Performance Indicators (continued)

- Direct costs as a percentage of total costs were 85.2% (2018: 70.1%)
- Support costs as a percentage of total costs were 14.8% (2018: 29.9%)
- Total payroll costs as a percentage of recurring income were 85.5% (2018: 89.2%)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Most of the Academy's income is obtained from the Education and Skills Funding Agency in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During 2018/19 as an enlarged Trust with in excess of 3,000 pupils, the Academy received automatic capital grant funding of £563,000 through the 'Schools Condition Allocation' from the Education and Skills Funding Agency. This capital funding will be used for the following:

School	Capital Project	Cost (incl fees and excl VAT) £
St. Dominic's	Heating	97,279
Blessed William Howard	Windows	199,983
Blessed Mother Teresa's	Roof repairs	47,179
St. Giles'	Heating	21,747
St. Thomas'	Circulation and toilet alterations for accessibility	97,895
St. Joseph's	Reception toilets	30,000
Painsley Catholic College	Condition works across the school	38,824

In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice' (revised 2005), such grants are

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Trustees' report (continued)

shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Painsley Teaching School and Maths Hub received a total of £891,670 grant income during the year 2018/19.

During the year ended 31 August 2019, the total income in relation to restricted general funds was £21,563,785. Total expenditure in relation to restricted general funds was £22,297,921.

The Local Government Pension Scheme valuation as at 31 August 2019 of the academy element of the Staffordshire Pension fund shows a deficit of £10,510,000.

As at 31 August 2019, the net book value of fixed assets was £7,971,248 and movements in tangible fixed assets are shown in note 12 of the financial statements. The assets were used exclusively in providing education and the associated support services to the students across the Academy.

The Academy has a number of financial policies in place to ensure that it maintains and develops systems of financial control, which conform to the requirements of propriety, regularity and of sound financial management. These policies include: Accounting, Finance and Resources, Financial Risk Management and Risk Register, Counter Fraud, Theft and Corruption, Fraud Response Plan, Giving and Receiving of Donations and Gifts, Charges and Remissions and a Debt Recovery Policy, Reserves and Investment policy and Pooled funding and Appeals policy. In addition, the Academy has an in-depth Financial Scheme of Delegation which directors and all staff with financial responsibility strictly adhere to.

Reserves Policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education and Skills Funding Agency. The level of general reserves (excluding the pension reserve and fixed asset funds) held at 31 August 2019 are £234,518 restricted and £1,782,677 unrestricted. The directors will review the level of reserves and policy for reserves annually. For 2019/20 Directors' agreed to reserves equating to 5% of GAG, however not to fall below £1m.

Investment Policy

It has been agreed by the Directors that the academy has two main current accounts (one for Painsley north and one for Painsley south), a separate account for standing order collections for buses, trips, instrumental lessons etc. and fifteen separate imprest accounts (one for each school) for the different needs of the Academy. In 2018/19 there was no separate investment account. The academy is currently looking into this.

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Trustees' report (continued)

The academy's Investment policy states that investments should be made to further the Trust's charitable aims. However, Trustees must ensure that investment risk is properly managed and risk free. The Board of Trustees will agree an amount of funding on an annual basis to be transferred from the academy's main bank account to the academy's investment account.

Principal Risks and Uncertainties

An analysis of potential risk has been carried out by Directors, the Chief Executive Officer/Accounting Officer and the Chief Financial Officer. Strategies have been identified to control and manage risks to the academy at the Audit and Risk committee and are detailed in the Academy's Risk Register.

The Academy has considerable reliance on continued government funding through ESFA. The Academy's revenue is ultimately publicly funded and this level of requirement is expected to continue with all funding from this source. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements
- By ensuring the Academy is rigorous in delivering high quality education and training
- Considerable focus and investment is placed on maintaining and managing key relationships with the ESFA

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17. This has reduced risk since the government directive to support the pooling of risk with Local Authorities for the Academy.

The Academy's Risk Register highlights a number of low risk areas, which Directors monitor. Two potential high risks for the Academy include Competition Risk and Technology Risk. This is monitored by Directors and is expected to be reviewed again in January 2020.

Fundraising

All fundraising carried out across The Painsley Catholic Academy continues to conform to recognised standards to raise funds for either charity causes or to fundraise to help to increase the multi-academy's income stream. In all cases, when fundraising, the multi-academy recognises the many legal regulations that it must adhere to including:

- ensuring that any third party fundraisers engaged by our charity comply with the Code of Fundraising Practice
- providing information to pupils and parents/carers on how to fundraise safely
- carry out a proportionate process of due diligence when engaging in a fundraising partnership with a business
- processing unsubscribe requests in a timely way
- not making marketing telephone calls under the pretext of administrative calls
- ensuring that face-to-face fundraisers are properly trained

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Trustees' report (continued)

- making a record of the issue and return of any charity collection materials
- securing cash donations and banking them as soon as possible
- not sharing personal data without explicit consent
- including opt-out information on fundraising communications sent to any named individuals

The fifteen schools across the multi-academy fundraise for many causes including: Father Hudsons, Dementia UK, Lourdes Pilgrimage, Mary's Meals, Children in Need, Douglas Macmillan and Cafod to name but a few. Annual Christmas supper and concert events take place where the PTA will assist the schools in fundraising in selling raffle tickets, where prizes have been donated to the schools by local businesses, providing stalls, games and refreshments to help to raise additional funds. The schools will occasionally have 'non-uniform' days where pupils have the option to not wear their uniform for one day and will contribute £1 towards either a specific charity or to help to raise funds for a specific school project.

All monies raised during any fundraising events or activities are accounted for separately on the academy's financial accounting system and the academy publicly announces how much money has been raised after each fundraising activity or event.

There have never been any fundraising complaints and there has never been any unreasonable intrusive or persistent fundraising approaches or any undue pressure to donate.

Plans for Future Periods

On the 1 September 2018 the Painsley Catholic Academy merged with the Holy Trinity Catholic Trust and, as such, the Painsley Catholic Academy became a multi-academy of 15 schools as listed on page 3.

The newly enlarged multi-academy will work towards agreed KPIs to ensure all pupils receive an outstanding education. The Trust received funding through a successful Multi-Academy Development Fund in 2017/18, which has been used to help to fund school improvement across a number of the schools in order to help to raise standards and attainment. In addition, the funding also helped to fund the upgrade of the finance system and to move all Painsley South schools onto the same finance system as Painsley North. The Board of Directors, whom are highly skilled, work closely with the Chief Executive Officer, the Chief Financial Officer, Trust Senior Executive Team and Principals to ensure that every child receives the very best Catholic education. In addition, each Local Governing Body within each school works closely with the Principal to also hold each school to account and to provide the 'critical friend' support required to ensure all children receive an outstanding education.

During 2019/20, the multi-academy will continue to drive school improvement working towards all schools being judged at least 'Good' and working towards 'outstanding'.

In relation to business management and financial efficiency, the academy will be reviewing all contracts across the schools, re-procuring and re-tendering to maximise financial efficiencies. The academy plans on using the Schools Resource Management Allocation support to help and

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Trustees' report (continued)

advise the academy through this process to ensure value for money is sought across all contracts, goods and services.

Painsley Catholic College enters an exciting phase during 2019/20 in preparing to deliver the government's new 'T' Levels programmes from September 2020 which will also see a purpose-built Digital Hub building for the new 'T' Levels programmes to be taught in.

The schools continue to face financial pressures in balancing the books to ensure our pupils receive all the resources they require to ensure that the academy delivers the very best education.

Funds Held as custodian Trustee on Behalf of Others

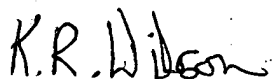
The Academy and its Trustees do not act as the Custodian Trustees of any other charity.

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 that information.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 4 December 2019 and signed on the board's behalf by:



..... Mr Kenneth Wilson - Chair of Trustees

THE PAINSLEY CATHOLIC ACADEMY

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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Painsley Catholic Academy 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, 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 The Painsley Catholic Academy 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 three times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J. Pennington, Trustee (Chairman)	3	3
Mr K. Wilson, Trustee (Vice-Chairman)	3	3
Mrs B. Williams, Trustee	3	3
Mr J. Holt, Trustee	3	3
Mrs S. Hancox, Trustee	3	3
Ms C. McGarrigle, Trustee	3	3

The Resources and Pay committee met 6 times during 2018/19 to ensure financial oversight. Both the Chair and Vice-Chair of directors are on this committee.

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Governance statement (continued)

During 2018/19 Mr John Pennington, Chair of Directors and a National Leader of Governance carried out a review of governance across a number of schools within the Diocese and nationally. In addition, Mr Stephen Bell, as a National Leader of Education supported a number of schools across the West Midlands providing educational consultancy.

To assist with the review of governance at the Academy, all Trustees completed a Skills Audit in July 2018 to ensure the committee membership for all core committees for the newly enlarged multi-academy was accurate with the skills set of Trustees matching the objectives and delegated powers of each committee. The skills audit is carried out on an annual basis.

Due to the Trust merger on 1 September 2018, ESFA carried out a Financial Governance Self-Evaluation Audit on 28 and 29 March 2019. ESFA auditors met with the Trust's Chief Financial Officer and the Bursars at St. Austin's Catholic Primary School and Blessed Mother Teresa's Catholic Primary School. The multi-academy was judged to have:

"A good level of financial and governance controls across academies within the trust. (The majority of controls in place within the testing scope with only minor issues identified)".

The minor areas identified in the testing scope have been completed and ESFA notified accordingly.

The **Resources and Pay committee** is a sub-committee of the main board of trustees. Its purpose is to:

- Ensure good financial management and effective internal controls
- Comply with the Funding Agreement and the Academies Financial Handbook
- To consider a draft budget for the year based on priorities in the Academy and individual academy development plans. Final budget to be approved by the Board of Directors.
- Ensure sufficient rigour and scrutiny in the budget management process to understand and address variances between the budget that has been set and actual income and expenditure, receive and consider information on financial performance at least three times a year, and take appropriate action to ensure ongoing viability
- To ensure value for money and efficiency is obtained across the MAC in all areas.
- To respond to auditors' comments
- To ensure compliance with financial regulations as set out by Company Law
- To determine the MAC improvement fund contribution
- To report on actions necessary to maintain the premises (land and buildings) in a satisfactory state of appearance and repair
- To determine annually, the Pay policies adopted by the Academy and the Academy's salaries budget, the salaries of teaching staff.
- To determine annually, in accordance with the adopted Pay Policy and any appropriate regulations and agreements and within the Academy's salaries budget, the salaries and gradings of support staff.
- To deal with any other matters relating to pay, appraisal and employment as may be referred by the MAC Board

The Painsley Catholic Academy

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Governance statement (continued)

- The Pay committee will ensure that each teacher's salary is reviewed annually, with effect from 1 September and no later than 1 December each year, and that all teachers are given a written statement setting out their salary and any other financial benefits to which they are entitled.
- Decisions on support staff pay will be made by 31 March each year with employees being notified in writing of the pay decisions from directors.
- The Board of Directors must ensure that their decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities.
- To work with the LGB to develop a 5 year estate management strategy for each academy.
- Once the 5 year estate management strategy is in place for each academy, to determine the building/funding priorities throughout the MAC.
- To ensure the accounting system for any non-official funds are sufficiently strong so that misuse or error are detected (as determined by the financial policies)
- To ensure that assets (land and buildings) have appropriate levels of insurance cover at all times
- To respond to recommendations from the Audit and Risk Committee
- Monitor and review the use of all available resources in order to improve the quality of education, improve pupils' achievements and to secure value for money
- Develop and maintain a website for the Trust ensuring information required by statute, Funding Agreements and Academies Financial Handbook is published.

During 2018/19, Mr Sanders, Academy Finance Manager, who is a qualified Accountant also joined the committee meetings. Mr Sanders regularly attends the Resources committee meetings to advise Directors on the Management Accounts for each school and progress towards appropriate ESFA returns. In addition, Mrs. Bradbury also attended the Resources committee as Chief Operating and Financial Officer.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S. Hancox, Trustee (Chair)	6	6
Mr K. Wilson, Trustee	6	6
Mr J. Pennington	5	6

The **Audit and Risk committee** is also a sub-committee of the main board of trustees. Its purpose is to act as an advisory body with no executive powers. However, it is authorised by the board to investigate any activity within its terms of reference, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its inquiries. Requests for work, and reports received, from internal audit will be channelled through the Accounting Officer, to whom the Internal Auditors and Responsible Officer reports. The Audit and Risk committee is authorised to obtain independent professional advice if it considers this necessary.

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Governance statement (continued)

Role and Responsibilities of the Committee

The specific duties, role and responsibilities are to:

- Review the multi-academy's internal and external financial statements and reports to ensure that they reflect best practice.
- Discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.
- Consider all relevant reports by the Responsible Officer, internal auditors and external auditors including reports on the multi-academy accounts, achievement of value for money and the response to any management letters.
- Review the effectiveness of the multi-academy internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.
- Ensure that the multi-academy internal audit service meets, or exceeds, the standards specified in the Government Internal Audit manual, complies in all other respects with these guidelines and meets agreed levels of service.
- Consider and advise the board on the academy's annual and long-term audit programme.
- Consider internal audit reports, including value-for-money reports and the arrangements for their implementation.
- To review the Risk Management in place across the Trust ensuring a robust Risk Register is in place and reviewed annually
- To adopt a Trust wide Health and Safety policy, ensuring all statutory compliance with health and safety is met across the Trust
- To conduct regular consideration of Health and Safety issues associated with the buildings/sites including consideration of information from the LGBs
- Adopt a Trust wide Lettings policy in accordance with the requirements of the DES, the committee will review this annually making any necessary recommendations to the Board of Directors
- Review the operation of the academy's code of practice for board members and code of conduct for staff.
- Consider any other matters where requested to do so by the board.
- Report at least once a year to the board on the discharge of the above duties.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J. Holt (Chair)	2	2
Mrs B. Williams	2	2
Ms C. McGarrigle	1	2

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Governance statement (continued)

Review of Value for Money

As Accounting Officer, the Chief Executive 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 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

In October 2018 the multi-academy began to review the business management and financial support required across the multi-academy and across the central team. Originally, the trust intended to centralise everything with just admin/clerical support being left within the primary schools. However, following the review it was evidential that full SBM support would be required within the majority of the primary schools. If this was not the case, the central support team would need to increase to enable all business and finance aspects of the Trust to run effectively and efficiently, this would have cost the Trust in excess of £100k and would not have presented value for money.

The review is ongoing into 2019/20 as systems are also being reviewed in relation to accounting, finance, payroll and HR to ensure the systems in place are fit-for-purpose, cost effective and reduce duplication of processes and procedures across the schools. In May 2019, the schools across Painsley south moved over from the HCSS accounting system to the same financial system as Painsley north – PS Financials. As a result, this has now enabled the team to report using one accounting and finance package and to ensure consistency in financial reporting across the Trust.

The central support team is very lean: CEO, two DCEOs, CFO, Finance Manager, central finance team, part-time Marketing Co-ordinator, Network Manager and part-time Compliance Officer. This is to ensure that the central service costs are kept to a minimum that, in turn, financially benefits each school.

The trust has made considerable savings in relation to ICT during 2018/19. ICT support in Painsley south has been moved over from schools having individual ICT providers to one ICT support provider. In addition, the trust also moved its SIMs advisory support to another provider, resulting in a financial saving and broadband is also being moved away to a new provider, with additional financial savings being identified. As a result of transferring providers within these key areas of ICT, the trust has identified financial savings of approximately £111,236.

During 2019/20, the trust seeks to make further financial savings through reviewing all contracts and SLAs across the schools and plans to re-tender for new multi-functional devices, telephone, insurance and home-to-school-transport to make further financial savings.

A system of internal financial control is in place including transparent spending controls, up-to-date financial records and continuous financial monitoring, which is reported on a regular basis to the Accounting Officer, Principals and Directors through the Board of Directors, Resources Committee and the Academy's Audit Committee. All policies are centralised across the academy including all financial policies.

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Governance statement (continued)

Having a School Business Manager within each school and a strong central support team allows the Principals to focus on driving forward school improvement and teaching and learning. The excellent results achieved by Painsley Catholic College in August 2019, placed Painsley as one of the top performing schools in the areas. Indeed, it was first in Staffordshire and Stoke-on-Trent's Real Schools' Guide 2019. This result is a reflection on the impact of how the academy spends its money wisely and efficiently, always seeking best value, which has resulted in these outstanding academic results for all students across the academy.

Painsley Catholic College's Teaching School and Maths Hub continues to flourish with the College's successful 'T' Levels application bringing a new direction to programmes being delivered from September 2020.

The Academy employs an Education Welfare Officer who works across the secondary schools and Painsley North primary schools and helps support both parents and students. As a result of this post, attendance at each of these schools is a focus with the aim being to achieve that Trust target of 97%. The Trust is reviewing the Education Welfare Officer support across the Painsley south schools during 2019/20.

Specialist teachers are also shared across the multi-academy. Modern Foreign Languages, D and T, PE and Music are taught by the secondary school to the primary school children. Children across the feeder primary schools regularly visit the secondary schools to join in different activities. This also helps with the smooth transition from primary to secondary school. Instrumental Music lessons are also taught by the Academy's staff with fewer hours now being contracted in from the Local Authority.

Self-evaluation of the impact of Pupil Premium money follows the academy pattern of self-evaluation where development plans are created each year that link into the academy SDP. This is a live document that is monitored closely for progression. Every curriculum area has a section that supports the needs of FSM/CLA and these are collated centrally and monitored by each Head of Department and the lead person for pupil premium.

Based on the academy's mission statement, The Painsley Catholic Academy provides opportunities to nurture and support those who are eligible for the pupil premium so that their attainment is equivalent to non-FSM/non-CLA children

Not all children who qualify for FSM are socially disadvantaged and not all socially disadvantaged children qualify or are registered for FSM. Therefore, we focus on the needs and levels of progress for all children. Expectations for all children are high and aspirational targets are set for every category of student. We also recognise that not all children entitled to FSM are underachieving or of low ability and will seek to support their needs through appropriate enrichment and aspiration. During 2018/19, Pupil Premium funding was used to support low income families with school transport, Instrumental lessons, and taxi fares to help Year 11 students attend breakfast and after-school revision sessions, trips, school uniform, and support sessions including one-to-one support.

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Governance statement (continued)

The home-to-school transport arrangements managed by Painsley and BWH, continues to operate successfully. There has been frequent financial reporting to both the Resources committee and the Board of Directors. To eliminate the school transport financial deficit position and to ensure a break-even situation, the secondary schools will be re-tendering the home-to-school transport during 2019/20.

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 ongoing 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 The Painsley Catholic Academy for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that have been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed an internal auditor to work across the trust with a rolling programme of audit compliance checks agreed by trustees annually.

The Painsley Catholic Academy

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Governance statement (continued)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The internal auditor reports to the Board of Trustees (via the Audit and Risk committee, Accounting Officer and Chief Financial Officer) on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The checks carried out in the current period included the Internal Auditor carrying out health checks in accordance with the academy's financial policies and procedures for all schools in the multi-academy. The object of the checks was to provide assurance to the Trustees that correct procedures are being followed on key areas of financial administration and processes. The schedule of work planned by the internal auditor covered a review of the centralised financial procedures operating across the academy including:

- Financial Management (scheme of delegation, budget setting/authorisation, budget monitoring)
- Bank Reconciliation
- Payment processing
- Returns to the DfE
- Access to the Finance system

The internal audit inspections also included health checks across the fifteen schools providing assurance on the following areas:

- Income
- Procurement
- Debit Cards
- Imprest
- Inventory
- Staffing
- IT Security

For 2018/19 a scoring of 'Substantial Assurance' was given for each individual school on areas inspected. On a termly basis, the Chief Financial Officer reports to the Resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. In addition, the trust's internal auditor reports to the Audit and Risk committee following any internal reviews across the multi-academy trust.

Review of Effectiveness

As the Accounting Officer, the Chief Executive 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 audit team and the named Responsible Officer
- The work of the external auditors
- The financial management
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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Governance statement (continued)

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

Approved by order of the members of the board of trustees on 4 December 2019 and signed on their behalf, by:



Mr Kenneth Wilson

Chair of Trustees



Mr Stephen George Bell

Accounting Officer/Chief Executive

The Painsley Catholic Academy

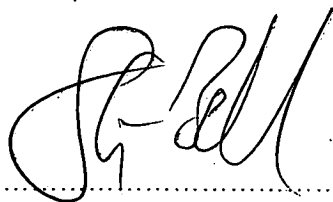
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Statement of regularity, propriety and compliance for the year ended 31 August 2019

As accounting officer of The Painsley Catholic Academy I have considered my responsibility to notify the multi academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the multi academy trust, under the funding agreement in place between the multi 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 2018.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2018.

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.



..... Mr Stephen George Bell – Accounting Officer

4 December 2019

The Painsley Catholic Academy

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Statement of Trustees' Responsibilities for the year ended 31 August 2019

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 grants received from the 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 4 December 2019 and signed on its behalf by:



Mr Kenneth Wilson – Chair of Trustees

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of
The Painsley Catholic Academy**

Opinion

We have audited the financial statements of The Painsley Catholic Academy (the 'Multi Academy trust') for the period ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2019, and of its incoming resources and application of resources, including its income and expenditure, for the period 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
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019

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 Multi Academy trust 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Multi Academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of The Painsley Catholic Academy
(continued)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of The Painsley Catholic Academy
(continued)**

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 30), the trustees (who are also the directors of the Multi Academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 Multi Academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Multi Academy trust 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Multi Academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Multi Academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Multi Academy trust to cease to continue as a going concern.

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of The Painsley Catholic Academy
(continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

6 December 2019

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to The Painsley Catholic Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 May 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Painsley Catholic Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Painsley Catholic Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Painsley Catholic Academy's funding agreement with the Secretary of State for Education dated 4 September 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes :


- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the multi academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Painsley Catholic Academy and the Education & Skills Funding Agency (continued)

Conclusion

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 year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

6 December 2019

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2019
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2018/19 £	Total 2017/18 £
Income from :							
Donations and capital grants	2						
Transfers of existing academies		1,027,879	(2,908,000)	20,561	741,907	(1,117,653)	-
Transfer from local authority on conversion		-	-	-	-	-	6,895,316
Other donations and capital grants		215,101	-	-	943,283	1,158,384	186,530
Charitable activities :	3						
Funding for the academy trust's educational operations		1,343,710	-	20,651,554	-	21,995,264	11,173,030
Teaching schools	26	103,100	-	891,670	-	994,770	864,035
Other trading activities	4	504,733	-	-	-	504,733	469,016
Investments	5	8,930	-	-	-	8,930	828
Total		3,203,453	(2,908,000)	21,563,785	1,685,190	23,544,428	19,588,755
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	6	1,870,833	878,000	21,459,592	442,286	24,650,711	33,281,431
Teaching schools	26	103,100	-	838,329	-	941,429	731,342
Total		1,973,933	878,000	22,297,921	442,286	25,592,140	34,012,773
Net income/(expenditure) before transfers		1,229,520	(3,786,000)	(734,136)	1,242,904	(2,047,712)	(14,424,018)
Transfers between funds	15	-	-	968,654	(968,654)	-	-
Net income/(expenditure) after transfers		1,229,520	(3,786,000)	234,518	274,250	(2,047,712)	(14,424,018)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	15, 23	-	(2,757,000)	-	-	(2,757,000)	922,000
Net movement in funds		1,229,520	(6,543,000)	234,518	274,250	(4,804,712)	(13,502,018)
Reconciliation of funds							
Total funds brought forward	15	553,157	(3,967,000)	-	7,696,998	4,283,155	17,785,173
Total funds carried forward		1,782,677	(10,510,000)	234,518	7,971,248	(521,557)	4,283,155

All of the Academy's activities derive from continuing operations during the above two financial periods.

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Company number : 08146661
Balance sheet as at 31 August 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		7,971,248		7,696,998
Current assets					
Debtors	13	906,817		401,915	
Cash at bank and in hand		<u>3,229,496</u>		<u>1,429,864</u>	
		4,136,313		1,831,779	
Liabilities					
Creditors: amounts falling due within one year	14(a)	<u>2,078,343</u>		<u>1,247,792</u>	
Net current assets			2,057,970		583,987
Total assets less current liabilities			<u>10,029,218</u>		<u>8,280,985</u>
Creditors: amounts falling due after more than one year	14(b)		(40,775)		(30,830)
Net assets excluding pension liability			<u>9,988,443</u>		<u>8,250,155</u>
Defined benefit pension scheme liability	23		(10,510,000)		(3,967,000)
Total net assets			<u>(521,557)</u>		<u>4,283,155</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	7,971,248		7,696,998	
Restricted income fund	15	234,518		-	
Pension reserve	15	<u>(10,510,000)</u>		<u>(3,967,000)</u>	
Total restricted funds			(2,304,234)		3,729,998
Unrestricted income funds	15		1,782,677		553,157
Total funds			<u>(521,557)</u>		<u>4,283,155</u>

The financial statements on pages 37 to 64 were approved by the trustees, and authorised for issue on 4 December 2019 and are signed on their behalf by:

K.R. Wilson

Mr Kenneth Wilson - Chair of Trustees

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2019

	Notes	2018/19 £	2017/18 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	(666,936)	(148,884)
Cash transferred in from existing academies		1,656,106	-
Cash flows from investing activities	20	810,462	(162,869)
Cash flows from financing activities			
Cash inflows from new borrowings		-	30,830
		<u>1,799,632</u>	<u>(280,923)</u>
Cash and cash equivalents at 1 September 2018		1,429,864	1,710,787
Cash and cash equivalents at 31 August 2019	21	<u>3,229,496</u>	<u>1,429,864</u>

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2019

1. Accounting policies

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

Basis of preparation

The financial statements of the multi academy trust, which is a public benefit entity under FRS 102, 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Painsley Catholic Academy meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

All incoming resources are recognised when the multi 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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Donations**

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

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

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

Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the multi 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 multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Tangible fixed assets (continued)

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

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

Long leasehold land	- straight line over 125 years
Long leasehold buildings	- straight line over 50 years
Long leasehold improvements	- 10% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 25% reducing balance

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

In addition to the leasehold land and buildings the Academy Trust also occupies property held under church supplemental agreements which permit occupancy of the premises with a notice period of two years. The Academy Trust is not able to exercise control over this property and therefore no fixed asset has been recognised in the financial statements. All expenditure in respect of major refurbishment or improvements in respect of these is expensed directly through revenue and matched with the appropriate incoming resources.

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.

Financial instruments

The academy trust only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Financial instruments (continued)

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

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

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

Pension benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the multi 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 balance sheet date. The amounts charged to operating surplus 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 year 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.

**The Painsley Catholic Academy
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2019 (continued)

1. Accounting policies (continued)

Fund accounting

Unrestricted income funds represent resources which may be used towards meeting any of the charitable objects of the multi 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 & Skills Funding Agency or Department for Education.

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Agency arrangements

The multi 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. The funds received and paid and any balances held are disclosed in note 25.

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	-	943,283	943,283	168,786
Other donations	215,101	-	-	215,101	17,744
	<u>215,101</u>	<u>-</u>	<u>943,283</u>	<u>1,158,384</u>	<u>186,530</u>
Transfers of existing academies	1,027,879	(2,887,439)	741,907	(1,117,653)	-
Transfer from local authority	-	-	-	-	6,895,316
	<u>1,242,980</u>	<u>(2,887,439)</u>	<u>1,685,190</u>	<u>40,731</u>	<u>7,081,846</u>
Analysis of restricted funds transferred into trust :					
Restricted general funds		20,561			
Restricted pension fund		(2,908,000)			
		<u>(2,887,439)</u>			
2018 total	<u>44,060</u>	<u>-</u>	<u>7,037,786</u>	<u>7,081,846</u>	

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	18,454,286	-	18,454,286	9,397,365
Other DfE Group grants	-	1,464,603	-	1,464,603	859,365
Teaching School grants	-	891,670	-	891,670	864,035
	<u>-</u>	<u>20,810,559</u>	<u>-</u>	<u>20,810,559</u>	<u>11,120,765</u>
Other government grants					
Local authority grants	-	730,732	-	730,732	237,632
Other government funding	-	1,933	-	1,933	-
	<u>-</u>	<u>732,665</u>	<u>-</u>	<u>732,665</u>	<u>237,632</u>
Other income from the academy trust's educational operations	1,446,810	-	-	1,446,810	678,668
	<u>1,446,810</u>	<u>732,665</u>	<u>-</u>	<u>2,179,475</u>	<u>916,300</u>
	<u>1,446,810</u>	<u>21,543,224</u>	<u>-</u>	<u>22,990,034</u>	<u>12,037,065</u>
2018 total	<u>489,237</u>	<u>11,547,828</u>	<u>-</u>	<u>12,037,065</u>	

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Out of school club	217,256	-	217,256	60,247
Sale of goods and services	64,058	-	64,058	64,771
Music services	46,740	-	46,740	25,207
Lettings	35,761	-	35,761	8,069
Miscellaneous	140,918	-	140,918	310,722
	<u>504,733</u>	<u>-</u>	<u>504,733</u>	<u>469,016</u>
2018 total	<u>145,411</u>	<u>323,605</u>	<u>469,016</u>	

5. Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	8,930	-	8,930	828
2018 total	<u>828</u>	<u>-</u>	<u>828</u>	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2018/19 Total £	2017/18 Total £
Academy's educational operations					
Direct costs	14,972,269	189,116	2,329,561	17,490,946	28,349,914
Allocated support costs	3,454,042	2,149,312	1,556,411	7,159,765	4,931,517
Teaching school	343,089	-	598,340	941,429	731,342
	<u>18,769,400</u>	<u>2,338,428</u>	<u>4,484,312</u>	<u>25,592,140</u>	<u>34,012,773</u>
2018 total	<u>10,136,611</u>	<u>21,476,646</u>	<u>2,399,516</u>	<u>34,012,773</u>	

Net income/(expenditure) for the period includes :

		2018/19 £	2017/18 £
Operating leases	- plant and machinery	27,392	45,567
Depreciation		442,286	811,715
Loss on disposal of fixed assets		-	20,087,446
Fees payable to auditor	- audit	29,000	9,750
	- other services	4,900	6,250

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2018/19 Total £	2017/18 Total £
Educational operations					
Direct costs	986,226	-	17,446,149	18,432,375	28,981,582
Support costs	987,707	878,000	5,294,058	7,159,765	5,031,191
	<u>1,973,933</u>	<u>878,000</u>	<u>22,740,207</u>	<u>25,592,140</u>	<u>34,012,773</u>
2018 total	<u>-</u>	<u>-</u>	<u>34,012,773</u>	<u>34,012,773</u>	
Analysis of support costs					
Support staff costs	385,413	878,000	2,190,629	3,454,042	2,161,428
Depreciation	-	-	253,170	253,170	1,044,959
Technology costs	-	-	48,748	48,748	133,260
Premises costs	-	-	1,931,492	1,931,492	442,683
Other support costs	602,294	-	831,851	1,434,145	1,134,172
Pension interest cost	-	-	-	-	114,000
Governance costs	-	-	38,168	38,168	689
Total support costs	<u>987,707</u>	<u>878,000</u>	<u>5,294,058</u>	<u>7,159,765</u>	<u>5,031,191</u>
2018 total	<u>-</u>	<u>-</u>	<u>5,031,191</u>	<u>5,031,191</u>	

8. Staff

a) Staff costs

Staff costs during the year were:

	2018/19 £	2017/18 £
Wages and salaries	13,780,212	7,616,303
Social security costs	1,310,554	704,603
Pension costs	<u>3,333,564</u>	<u>1,807,225</u>
	<u>18,424,330</u>	<u>10,128,131</u>
Agency staff costs	291,169	-
Staff restructuring costs	<u>53,901</u>	<u>8,480</u>
	<u>18,769,400</u>	<u>10,136,611</u>

Staff restructuring costs comprise :

	2018/19 £	2017/18 £
Redundancy payments	13,766	-
Severance payments	<u>40,135</u>	<u>8,480</u>
	<u>53,901</u>	<u>8,480</u>

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

8. Staff (continued)

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £40,135 (2018: £8,480). Individually, the payments were: £27,000 and £13,135.

c) Staff numbers

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

	2018/19 Number	2017/18 Number
Teachers	274	139
Administration and support	487	261
Management	18	22
	<u>779</u>	<u>422</u>

d) Higher paid staff

	2018/19 Number	2017/18 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	7	3
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£120,001 - £130,000	<u>1</u>	<u>1</u>

e) Key management personnel

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £1,518,557 (2018 : £718,137)

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

9. Central services

The academy trust has provided the following central services to its academies during the year :

Category	Basis
Educational services	Time apportioned on the basis of each staff member's daily salary rate for the number of days assisted
Management services	Time apportioned on the basis of each staff member's daily salary rate for the number of days assisted

The actual amounts charged during the year were as follows :

	2018/19	2017/18
	£	£
Blessed Mother Teresa's Catholic Primary School	26,652	-
Blessed William Howard Catholic High School	155,112	-
Painsley Catholic College	156,350	-
St Anne's Catholic Primary School	40,692	-
St Austin's Catholic Primary School	38,376	-
St Dominic's Catholic Primary School	38,892	-
St Filumena's Catholic Primary School	25,874	35,199
St Giles' Catholic Primary School	25,384	40,299
St Joseph's Catholic Primary School	24,403	37,161
St John's Catholic Primary School	13,668	-
St Mary's Catholic Academy	22,564	32,352
St Mary's Catholic Primary School	20,604	-
St Patrick's Catholic Primary School	38,904	-
St Thomas' Catholic Primary School	27,591	39,123
The Faber Catholic Primary School	8,461	30,365
	663,527	214,499

**The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

10. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the multi academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows :

Mr S Bell (principal and trustee, resigned 31/1/19)

Remuneration	£55,000 - £60,000 (2018 : £125,000 - £130,000)
Employer's pension contributions paid	£5,000 - £10,000 (2018 : £20,000 - £25,000)

Mrs C Tomlinson (staff trustee, resigned 31/1/19)

Remuneration	£20,000 - £25,000 (2018 : £50,000 - £55,000)
Employer's pension contributions paid	£0 - £5,000 (2018 : £5,000 - £10,000)

Mrs G Wretham (staff trustee, resigned 31/1/19)

Remuneration	£30,000 - £35,000 (2018 : £50,000 - £55,000)
Employer's pension contributions paid	£5,000 - £10,000 (2018 : £5,000 - £10,000)

Mrs S Mills (staff trustee, resigned 31/1/19)

Remuneration	£5,000 - £10,000 (2018 : £10,000 - £15,000)
Employer's pension contributions paid	£0 - £5,000 (2018 : £0 - £5,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £918 (2018 : £924) was reimbursed or paid directly to one trustee (2018 : one).

11. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and is included in the total insurance cost for the year ended 31 August 2019 of £83,419 (2018 : £51,250).

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

12. Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Computer hardware £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	7,540,462	442,672	512,732	23,512	8,519,378
Transfers into trust	302,000	365,402	159,438	19,166	846,006
Other additions	43,545	26,596	71,610	-	141,751
At 31 August 2019	<u>7,886,007</u>	<u>834,670</u>	<u>743,780</u>	<u>42,678</u>	<u>9,507,135</u>
Depreciation					
At 1 September 2018	195,100	203,662	400,106	23,512	822,380
Transfers into trust	15,100	150,000	94,142	11,979	271,221
Charge for the year	156,020	160,060	124,409	1,797	442,286
At 31 August 2019	<u>366,220</u>	<u>513,722</u>	<u>618,657</u>	<u>37,288</u>	<u>1,535,887</u>
Net book values					
At 31 August 2019	<u>7,519,787</u>	<u>320,948</u>	<u>125,123</u>	<u>5,390</u>	<u>7,971,248</u>
At 31 August 2018	<u>7,345,362</u>	<u>239,010</u>	<u>112,626</u>	<u>-</u>	<u>7,696,998</u>

Leasehold property's were valued at 20/8/13, 1/3/16 and 1/9/17 by The Valuation Office Agency – DVS and the furniture and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2019 is represented by :

	Leasehold land and buildings £	Fixtures and fittings £	Computer hardware £	Motor vehicles £	Total £
Valuation in 2013	830,000	-	19,031	10,324	859,355
Valuation in 2016	302,000	239,524	102,225	19,166	662,915
Valuation in 2017	6,619,000	-	-	-	6,619,000
Cost	<u>135,007</u>	<u>595,146</u>	<u>622,524</u>	<u>13,188</u>	<u>1,365,865</u>
	<u>7,886,007</u>	<u>834,670</u>	<u>743,780</u>	<u>42,678</u>	<u>9,507,135</u>

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

13. Debtors

	2019	2018
	£	£
Debtors from operations	56,640	38,350
VAT recoverable	453,026	77,978
Prepayments and accrued income	224,364	132,197
Other debtors	172,787	153,390
	<u>906,817</u>	<u>401,915</u>

14. Creditors

	2019	2018
	£	£
(a) Amounts falling due within one year :		
Creditors from operations	399,262	249,064
Other taxation and social security	299,149	170,494
Accruals and deferred income	967,944	620,639
Other creditors	411,988	207,595
	<u>2,078,343</u>	<u>1,247,792</u>

Deferred income

Deferred income at 1 September 2018	376,956	371,815
Resources deferred in the year	428,340	376,956
Amounts released from previous years	(376,956)	(371,815)
Deferred income at 31 August 2019	<u>428,340</u>	<u>376,956</u>

At the balance sheet date the multi academy trust was holding funds received in advance as follows :

Universal infant free school meals funding	202,538	109,362
Transport	74,140	79,495
Trips	15,203	55,050
DFC	-	36,069
Maths Hub	28,524	30,695
ESFA rates award	51,162	26,688
Other	56,773	39,597
	<u>428,340</u>	<u>376,956</u>

Included within other creditors are loans from Staffordshire County Council of £8,441 and loans from the ESFA of £30,589. Details in regards to repayment terms and interest payable are detailed in creditors due after more than one year.

(b) Amounts falling due after more than one year :

Other creditors	<u>40,775</u>	<u>30,830</u>
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Other creditors due after more than one year represent loans from Staffordshire County Council of £4,035 repayable in yearly instalments and loans from the ESFA of £36,740 repayable in six monthly instalments. None of these loans have any interest to pay. The amount repayable over five years is £14,715.

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

15. Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	18,454,286	(19,262,324)	799,740	(8,298)
Pupil premium	-	700,476	(700,476)	-	-
Teaching school	-	891,670	(838,329)	-	53,341
Transfers into trust	-	20,561	-	168,914	189,475
Other grants	-	1,496,792	(1,496,792)	-	-
	<u>-</u>	<u>21,563,785</u>	<u>(22,297,921)</u>	<u>968,654</u>	<u>234,518</u>
Restricted fixed asset funds					
Transfer on conversion	7,345,362	-	(155,246)	(102,992)	7,087,124
Transfers into trust	-	741,907	(116,311)	(168,914)	456,682
DfE Group capital grants	351,636	943,283	(165,468)	(268,094)	861,357
Capital expenditure from GAG	-	-	(5,261)	(428,654)	(433,915)
	<u>7,696,998</u>	<u>1,685,190</u>	<u>(442,286)</u>	<u>(968,654)</u>	<u>7,971,248</u>
Pension reserve	<u>(3,967,000)</u>	<u>(2,908,000)</u>	<u>(878,000)</u>	<u>(2,757,000)</u>	<u>(10,510,000)</u>
Total restricted funds	<u>3,729,998</u>	<u>20,340,975</u>	<u>(23,618,207)</u>	<u>(2,757,000)</u>	<u>(2,304,234)</u>
Unrestricted funds					
Teaching school	-	103,100	(103,100)	-	-
Other income	553,157	2,072,474	(1,870,833)	-	754,798
Transfers into trust	-	1,027,879	-	-	1,027,879
Total unrestricted funds	<u>553,157</u>	<u>3,203,453</u>	<u>(1,973,933)</u>	<u>-</u>	<u>1,782,677</u>
Total funds	<u>4,283,155</u>	<u>23,544,428</u>	<u>(25,592,140)</u>	<u>(2,757,000)</u>	<u>(521,557)</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education & Skills Funding Agency and Staffordshire County Council.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

15. Funds (continued)

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education & Skills Funding Agency and Staffordshire County Council where the asset acquired or created is held for a specific purpose.

Comparative information in respect of the preceding period is as follows :

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	9,397,365	(10,086,544)	689,179	-
Other ESFA grants	-	859,365	(859,365)	-	-
SEN	-	139,880	(139,880)	-	-
Other restricted funds	-	1,474,823	(1,474,823)	-	-
	<u>-</u>	<u>11,871,433</u>	<u>(12,560,612)</u>	<u>689,179</u>	<u>-</u>
Restricted fixed asset funds					
Transfer on conversion	20,904,268	6,976,092	(20,755,824)	220,826	7,345,362
DfE Group capital grants	490,408	61,694	(143,337)	(57,129)	351,636
	<u>21,394,676</u>	<u>7,037,786</u>	<u>(20,899,161)</u>	<u>163,697</u>	<u>7,696,998</u>
Pension reserve	<u>(4,336,000)</u>	<u>-</u>	<u>(553,000)</u>	<u>922,000</u>	<u>(3,967,000)</u>
Total restricted funds	<u>17,058,676</u>	<u>18,909,219</u>	<u>(34,012,773)</u>	<u>1,774,876</u>	<u>3,729,998</u>
Unrestricted funds					
Other income	726,497	679,536	-	(852,876)	553,157
Total unrestricted funds	<u>726,497</u>	<u>679,536</u>	<u>-</u>	<u>(852,876)</u>	<u>553,157</u>
Total funds	<u>17,785,173</u>	<u>19,588,755</u>	<u>(34,012,773)</u>	<u>922,000</u>	<u>4,283,155</u>

The Painsley Catholic Academy
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2019 (continued)

15. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows :

	2018/19 Total £	2017/18 Total £
Blessed Mother Teresa's Catholic Primary School	108,456	-
Blessed William Howard Catholic High School	324,066	-
Painsley Catholic College	270,776	275,982
Teaching school	53,341	-
St Anne's Catholic Primary School	151,794	-
St Austin's Catholic Primary School	209,555	-
St Dominic's Catholic Primary School	204,349	-
St Filumena's Catholic Primary School	103,019	87,225
St Giles' Catholic Primary School	61,497	86,589
St Joseph's Catholic Primary School	223,268	174,758
St John's Catholic Primary School	(169,611)	-
St Mary's Catholic Academy	14,501	5,086
St Mary's Catholic Primary School	73,316	-
St Patrick's Catholic Primary School	355,138	-
St Thomas' Catholic Primary School	(5,630)	(63,193)
The Faber Catholic Primary School	(946)	(13,290)
Trust	40,306	-
Total before fixed assets and pension reserve carried forward	2,017,195	553,157
Restricted fixed asset fund	7,971,248	7,696,998
Pension reserve	(10,510,000)	(3,967,000)
Total funds	(521,557)	4,283,155

St John's Catholic Primary School is carrying a net deficit of £169,611 on funds before fixed assets and pension reserve. St Johns was part of the Holy Trinity MAC that was merged into The Painsley Catholic Academy on 1st September 2018. At that point St Johns already had an accumulated deficit of £102,839 on reserves and a deficit was anticipated for the financial year 2018/19. The increased deficit as at 31st August 2019 reflects this operational position together with the costs incurred in respect of various remedial restructuring measures. These measures should ensure that the school will be able to balance its budget moving forward.

St Thomas' Catholic Primary School is carrying a net deficit of £5,630 on funds before fixed assets and pension reserve. St Thomas' Catholic Primary School incurred a deficit during 2016/17 and 2017/18 due to additional capital expenditure that had been planned previously. This is a short term issue and the school has adopted measures that will enable it to eliminate the deficit by the end of the financial year 2019/20.

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

15. Funds (continued)

The Faber Catholic Primary School is carrying a net deficit of £946 on funds before fixed assets and pension reserve. The Faber Catholic Primary School is a small rural primary school. There has been a dip in pupil numbers which should be remedied with an increase in pupil numbers due to a change local demographics. In addition various cost saving measures are being implemented. The school is expected to return to a break even position by the financial year 2019/20.

Total cost analysis by academy

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	2018/19 Total £
Blessed Mother Teresa's Catholic Primary School	655,241	84,730	12,576	187,399	939,946
Blessed William Howard Catholic High School	2,875,493	312,427	78,701	1,051,273	4,317,894
Painsley Catholic College	4,561,310	724,772	46,013	1,838,723	7,170,818
St Anne's Catholic Primary School	660,751	75,738	21,106	226,823	984,418
St Austin's Catholic Primary School	578,233	88,393	21,198	168,496	856,320
St Dominic's Catholic Primary School	617,229	89,469	23,891	242,289	972,878
St Filumena's Catholic Primary School	588,240	148,435	24,858	125,736	887,269
St Giles' Catholic Primary School	605,861	141,843	27,577	207,417	982,698
St Joseph's Catholic Primary School	600,548	128,367	8,551	227,385	964,851
St John's Catholic Primary School	326,298	41,178	9,523	102,072	479,071
St Mary's Catholic Academy	705,327	142,503	15,714	179,337	1,042,881
St Mary's Catholic Primary School	389,419	77,674	5,206	115,640	587,939
St Patrick's Catholic Primary School	686,011	97,610	26,068	447,385	1,257,074
St Thomas' Catholic Primary School	620,852	140,168	18,931	242,458	1,022,409
The Faber Catholic Primary School	255,646	82,488	2,094	77,674	417,902
Teaching School	228,475	114,614	80,272	518,068	941,429
Trust	245,810	1,078,247	-	-	1,324,057
Academy trust	15,200,744	3,568,656	422,279	5,958,175	25,149,854
2018 total	8,023,083	1,722,429	759,386	2,055,710	12,560,608

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

16. Analysis of net assets between funds

Fund balances at 31 August 2019
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	7,971,248	7,971,248
Current assets	1,782,677	-	2,353,636	-	4,136,313
Current liabilities	-	-	(2,078,343)	-	(2,078,343)
	1,782,677	-	275,293	7,971,248	10,029,218
Creditors due after one year	-	-	(40,775)	-	(40,775)
Pension scheme liability	-	(10,510,000)	-	-	(10,510,000)
Total net assets	1,782,677	(10,510,000)	234,518	7,971,248	(521,557)

Comparative information in
respect of the preceding period is
as follows :

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	7,696,998	7,696,998
Current assets	553,157	-	1,278,622	-	1,831,779
Current liabilities	-	-	(1,247,792)	-	(1,247,792)
	553,157	-	30,830	7,696,998	8,280,985
Creditors due after one year	-	-	(30,830)	-	(30,830)
Pension scheme liability	-	(3,967,000)	-	-	(3,967,000)
Total net assets	553,157	(3,967,000)	-	7,696,998	4,283,155

17. Capital commitments

	2019 £	2018 £
Contracted for but not provided in the financial statements	198,000	-

18. Commitments under operating leases

At 31 August 2019 the total of the multi academy
trust's future minimum lease payments under non-
cancellable operating leases was:

	Total 2019 £	Other Total 2018 £
Amounts due within one year	619	11,097
Amounts due between one and five years	52	3,256
	671	14,353

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

19. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018/19	2017/18
	Total	Total
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	(2,047,712)	(14,424,018)
Adjusted for :		
Depreciation (note 12)	442,286	811,715
Loss on disposal of fixed assets	-	20,087,446
Capital grants from DfE and other capital income	(943,283)	(168,786)
Assets transferred in from existing academies	(1,790,348)	-
Interest receivable (note 5)	(8,930)	(828)
Defined benefit pension scheme obligations transferred in	2,908,000	-
Defined benefit pension scheme cost less contributions payable (note 23)	678,000	439,000
Defined benefit pension scheme finance cost/(income) (note 23)	200,000	114,000
Net assets transferred from local authority on conversion	-	(6,869,000)
Decrease / (increase) in debtors	56,962	(34,052)
Increase / (decrease) in creditors	(161,911)	(104,361)
Net cash provided by / (used in) operating activities	(666,936)	(148,884)

20. Cash flows from investing activities

	2018/19	2017/18
	Total	Total
	£	£
Interest received	8,930	828
Purchase of tangible fixed assets	(141,751)	(332,483)
Capital grants from DfE Group	943,283	168,786
Net cash provided by / (used in) investing activities	810,462	(162,869)

21. Analysis of cash and cash equivalents

	At	At
	31 August	31 August
	2019	2018
	£	£
Cash at bank and in hand	3,229,496	1,429,864
	3,229,496	1,429,864

22. Member's liability

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

**The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

23. Pension and similar obligations

The multi 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 Staffordshire Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the year ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £298,427 (2018 : £167,000) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are :

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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Notes to the financial statements for the year ended 31 August 2019 (continued)

23. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the year amounted to £1,517,329 (2018 : £850,594).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,174,000 (2018 : £657,000), of which employer's contributions totalled £939,000 (2018 : £521,000) and employees' contributions totalled £235,000 (2018 : £136,000). The agreed contribution rates for future years are awaiting confirmation from the actuary for employers and are between 5.5% and 9.9% 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.

Principal actuarial assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	2.70%	2.80%
Rate of increase for pensions in payment / inflation	2.30%	2.40%
Discount rate for scheme liabilities	1.80%	2.80%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	- 0.5% pa %	+ 0.5% pa %	+ 1 year %
Present value of total obligation	20,702	+ 13%	+ 11%	3% to 5%
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	20,702	2,662	2,183	595 - 990

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Notes to the financial statements for the year ended 31 August 2019 (continued)

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	21.1	22.1
Females	23.5	24.4
Retiring in 20 years		
Males	22.2	24.1
Females	24.8	26.4

The academy trust's share of the assets in the scheme was :

	31 August 2019	31 August 2018
	£	£
Equities	6,931,000	3,994,000
Bonds	2,242,000	1,084,000
Property	815,000	456,000
Cash	204,000	171,000
Total market value of assets	10,192,000	5,705,000

The actual return on scheme assets was 6.3% (2018 : 6.7%).

	2018/19 £	2017/18 £
Amount recognised in the statement of financial activities		
Current service cost	1,617,000	960,000
Net interest cost	200,000	114,000
Total amount recognised in the SOFA	1,817,000	1,074,000

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

	2018/19 £	2017/18 £
At 1 September 2018	9,672,000	9,133,000
Business combinations and disposals	5,773,000	-
Current service cost	1,617,000	960,000
Interest cost	454,000	241,000
Employee contributions	235,000	136,000
Actuarial gain/(loss)	4,237,000	(710,000)
Benefits paid	(123,000)	(88,000)
Changes in demographic assumptions	(1,163,000)	-
At 31 August 2019	20,702,000	9,672,000

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2018/19	2017/18
	£	£
At 1 September 2018	5,705,000	4,797,000
Business combinations and disposals	2,865,000	-
Interest income	254,000	127,000
Actuarial gains/(losses)	317,000	212,000
Employer contributions	939,000	521,000
Employee contributions	235,000	136,000
Benefits paid	(123,000)	(88,000)
At 31 August 2019	10,192,000	5,705,000
Net pension scheme liability	(10,510,000)	(3,967,000)

24. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transaction took place during the year:

Expenditure related party transaction

E S Wilks & Sons Ltd (t/a Homepoint)

A company in which Mr P Wilks (trustee until 31/1/19) has a direct interest

	2019	2018
	£	£
Goods purchased from related company during the period	602	1,633
Amount due to related company at period end	-	719

The trust conducted these transactions at arms' length.

All of the above services have been provided at no more than cost and Mr P Wilks has provided a statement of assurance confirming this.

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2018.

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

25. Agency arrangements

The multi academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2019 the trust received £20,727 and disbursed £11,816 from the fund. An amount of £12,337 is included in other creditors relating to undistributed funds that is repayable to ESFA.

26. Teaching school trading account

		2018/19 £	2017/18 £
Income			
Direct income			
NCTL income		891,670	731,342
Other income			
Miscellaneous		103,100	132,693
		<u>994,770</u>	<u>864,035</u>
Expenditure			
Direct costs			
Direct staff costs	228,475		260,315
Other direct costs	<u>85,566</u>		<u>371,353</u>
		314,041	631,668
Other costs			
Support staff costs	114,614		93,254
Other support costs	<u>512,774</u>		<u>6,420</u>
		627,388	99,674
Total expenditure		<u>941,429</u>	<u>731,342</u>
Surplus from all sources		53,341	132,693
Transfer between funds		-	(132,693)
Teaching school balances at 31 August 2019		<u>53,341</u>	<u>-</u>

The Painsley Catholic Academy
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Notes to the financial statements for the year ended 31 August 2019 (continued)

27. Existing academies acquired by the trust during the year

The assets, liabilities and operations of the following academies, formerly within the Holy Trinity Catholic Multi Academy Company, were transferred to The Painsley Catholic Academy on 1 September 2018 at nil consideration, accounted for as a gift. From the date of acquisition :

- the assets and liabilities of each incoming academy have been valued at their fair value
- these amounts have been recognised by the multi academy trust under the appropriate balance sheet headings
- where net assets are transferred a corresponding amount has been recognised as donated income in the SOFA
- where net liabilities are transferred a corresponding amount has been recognised as a loss under 'expenditure on charitable activities' in the SOFA
- amounts have been analysed between unrestricted funds, restricted general funds and restricted fixed asset funds dependent upon the conditions attached, if any.

The following table sets out the totals of the acquired assets and liabilities from all the academies transferred in to the trust during the year and any fair value adjustments made.

Hoy Trinity Catholic Multi Academy Company

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Leasehold land and buildings	286,900	-	286,900
Fittings and equipment	215,401	-	215,401
Computer hardware	65,296	-	65,296
Motor vehicles	7,187	-	7,187
Current assets			
Debtors due in less than one year	561,864	-	561,864
Cash at bank and in hand	1,656,106	-	1,656,106
Liabilities			
Creditors due in less than one year	(978,018)	-	(978,018)
Creditors due after more than one year	(24,389)	-	(24,389)
Pensions			
Pension scheme liabilities	(2,908,000)	-	(2,908,000)
Net assets / (liabilities)	<u>(1,117,653)</u>	<u>-</u>	<u>(1,117,653)</u>