

Registrar's Copy

Company Registration Number: 08407989 (England & Wales)

CATALYST ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
(A company limited by guarantee)

FOR THE YEAR ENDED 31 AUGUST 2019

THURSDAY



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CATALYST ACADEMIES TRUST
(A company limited by guarantee)

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CATALYST ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr K Williams Mr D Walters Mrs K Regan (resigned 10 May 2019) Mr P Fuller Mr B Johnson (appointed 10 May 2019)
Trustees	Mr K Williams Mr T Drakes Mrs S Coote (resigned 28 March 2019) Mr D Walters, Vice Chair Mrs L Tyler, Chair Mr T Parfett, Chief Executive Officer Miss D Dalrymple (appointed 28 March 2019) Mr K Imbush (appointed 28 March 2019) Mr M Pettican (appointed 28 March 2019) Mr D Foxwell-Jones (appointed 28 March 2019)
Company registered number	08407989
Company name	Catalyst Academies Trust
Principal and registered office	Dilkes Academy Garron Lane South Ockendon Essex RM15 5JQ
Senior management team	T Parfett, Chief Executive Officer N Shadbolt, Headteacher- Aveley S Oxley, Headteacher- Benyon R Latham, Headteacher- Dilkes S Wakeling, Headteacher- Quarry Hill K Imbush, Headteacher- Somers Heath (to 31 August 2019) M Curtis, Head of School - Somers Heath (from 1 September 2019)
Independent auditors	MWS Chartered Accountants Chartered Accountants Registered Auditor Kingsridge House 601 London Road Westcliff-on-Sea Essex SS0 9PE

CATALYST ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Bankers

HSBC Bank PLC
99 High Street
Chelmsford
Essex
CM1 1EQ

Lloyds Bank
1-3 Market Place
Romford
Essex
RM1 3AA

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 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.

Discussion on conversion to academy trust

On 18 February 2013 Catalyst Academies Trust was granted Academy Trust status under the Academies Act 2010. Quarry Hill Primary School, Benyon Primary School, Somers Heath Primary School and Dilkes Academy joined the Trust on 1 July 2013, 1 April 2013, 1 July 2017 and 1 April 2018 respectively. Aveley Primary School joined the Trust during the academic year on 1 February 2019. All the operations assets and liabilities were transferred to Catalyst Academies Trust from the Thurrock Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of Catalyst Academies Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Catalyst Academies Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The overseeing Board of 8 Directors and 1 Chief Executive Officer were appointed in accordance with the Articles of Association. Future appointments will be made at the discretion of the existing members.

The Local Governing Bodies Governor recruitment is through a combination of approaches, one being the co-option of those with necessary skills, from parents of children at the school to those with an interest in the school community. Nominations for Governors will be requested by a specific date. These nominations must include the reasons why the nominee wishes to become a Governor and the attributes they can bring to the Governing Body. These nominations will be considered by the Board of the Academy Trust who will decide the successful candidate.

If a Parent Governor vacancy becomes available then information is circulated to all school parent/carers.

Prospective Governors can then be nominated and seconded. If more than one applicant applies, voting papers are sent out. Staff Governor elections will follow a similar procedure.

The Chair and Vice Chair are elected to the position annually.

e. Policies adopted for the induction and training of Trustees

The Trust provides all new Governors with a comprehensive induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a Trust Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the Academy Trust. The Academy Trust also purchases training from appropriate bodies.

CATALYST ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. Organisational structure

Catalyst Academies Trust has effectively recruited new staff to ensure that there is the capacity to coordinate the support plans that the sponsored academies require. This extra capacity has meant that the Trust has been able to continue offer this assistance that academies need on an ongoing basis.

The appointment of an Chief Executive Officer has meant that there is clear strategic direction for the Headteacher at each of the Academies. They set targets and directly line manage the schools to achieve the high expectations that Catalyst Academies Trust expects.

The facilities that were developed have created an effective base of operations for the Catalyst Academies Trust team. This in turn has helped in increasing capacity as the resourcing, space and staffing can be focused on Academy sponsorship more effectively.

The two additional Catalyst posts not only allow the Trust to effectively assist with the conversion of the schools but also to ensure continued support for existing schools:

The Operations Director has not only proved essential in the conversion process but has also proved invaluable in giving clear guidance on a wide variety of school systems, governance and compliance issues as well as bursary support.

The continued value that is added by the Governance Manager has been pivotal in the branding of Catalyst and the Academies, co ordinating web design and school communications. They have been auditing the effectiveness of school systems and action planning what can be done to improve things further. This has also meant that there are clear channels for the Academies and Catalyst to communicate.

Catalyst staff have worked to maintain the strength of the brand effectively, through good communications, strengthening the ties between the three schools and clearly demonstrating Catalyst's commitment to high standards and to the wider community.

The team have successfully co ordinated shared learning events between the five academies and these have proven very successful and impacted positively on all stakeholders. Future events are being established to promote and build on the success so far and to strengthen the learning community within Catalyst.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees abides by the requirements of all national and local agreements with particular reference to:

- School Teachers' Pay and Conditions Document, including due regard to relevant guidance documents and accompanying circulars
- Conditions of Employment for School Teachers in England and Wales
- Thurrock Council Conditions of Service

Employees on the leadership spine play a critical role in the life of the school. Their roles lead in enhancing standards of teaching and learning throughout the school. They inspire confidence in those around them and work with others to create a shared strategic vision which motivates pupils and staff. They have the confidence and ability to make management and organisational decisions.

The Board of Trustees confirms the membership of the school's Leadership team and salary levels are determined by the Pay Committee, taking into account the respective levels of responsibilities, recruitment and retention issues, internal differentials through the school and affordability.

A successful performance management appraisal for teaching staff, as prescribed by the appraisal regulations, involves a performance appraisal management process of:-

- Assessment against the relevant standards
- Performance objectives
- Classroom observation (where relevant)
- Other evidence

The Board of Trustees ensures that suitable arrangements are in place to assess the total contributions of all support and use the assessment to determine annual pay decisions.

h. Risk management

The Catalyst Academies Trust undertakes a comprehensive assessment of possible risks to the future of the Trust (Risk Register). The chief risks identified include issues relating to academic performance, child welfare and finances. The Academy has developed policies and procedures to mitigate these risks. Where significant financial risk still remains, the Academy has ensured adequate insurance cover. There are effective systems of internal financial control (explained in more detail in the Governance Statement).

The Risk Register is regularly reviewed by the Board of the Academy Trust.

i. Trade union facility time

We have one member of staff who is recognised as a Union official. They have not attended relevant training over the past year. Over the duration of the past 12 months no facility time has been requested or taken to undertake union activities.

Objectives and activities

a. Objects and aims

Catalyst Academies Trust is an organisation that was established to effectively coordinate and deliver support programmes for sponsored academies. All staff feel that it is their moral duty to support other schools in providing high quality, teaching and learning experiences and effectively uses Dilkes Academy, a school which is rated as outstanding by Ofsted and designated as a Teaching School, to deliver its programmes.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

b. Public benefit

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

Strategic report

Achievements and performance

a. Key performance indicators

Catalyst Academies Trust is an organisation that was established to effectively coordinate and deliver support programmes for sponsored academies.

All of our Academies are in areas of high deprivation but our drive, ambition and belief that every child is capable of meeting our high expectations and deserve the opportunity to have the very best provision to thrive and succeed. Our approach has resulted in outcomes and progress that exceed national benchmarks significantly. These pupils need this drive and ambition to continue in KS3 and KS4 in order to maximise their potential in the same way that we have in our primary schools.

All staff share a strong moral duty to support other schools in providing high quality, teaching and learning experiences and effectively use a distributed leadership model to deliver its school improvement strategy. These leaders are highly effective in bringing about sustainable change which leads to high performance.

This success was recognised in the DFE's December 2018 press release as the highest performing primary MAT in the country.

In the same article our track record and performance when meeting the needs of disadvantaged pupils was highlighted being significantly above national and exceeding non disadvantaged nationally.

All of our primary schools either meet or exceed national benchmarks and achieved at least a good Ofsted grading in their first inspection as an Academy.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Quarry Hill Academy

Ofsted Rating: Outstanding (June 2016)

Attendance	2016	2017	2018	2019
School	95.86%	96.07%	96.4%	96.4%
National	96.0%	96.1%	96.0%	TBA

EYFS	GLD	
	Nat	School
2018-2019	72%	67%

Phonics		ARE	
		Cohort	Disad
Year 1	Attainment	83%	100%
	National	83%	70%
Year 2	Attainment	92%	100%
	National	92%	70%

Year 2		ARE		AGD	
		Cohort	Disad	Cohort	Disad
Reading	Attainment	80%	67%	15%	11%
	National	75%	60%	26%	13%
Writing	Attainment	70%	67%	14%	11%
	National	70%	53%	16%	7%
Maths	Attainment	80%	78%	18%	11%
	National	76%	61%	22%	11%

Year 6		ARE		AGD	
		Cohort	Disad	Cohort	Disad
Reading	Attainment	93.3%	89%	34.4%	32%
	National	73%	64%	28%	18%
Writing	Attainment	94.4%	86%	48%	36%
	National	78%	67%	20%	11%
Maths	Attainment	95.5%	86%	38.8%	32%
	National	79%	64%	24%	14%
Combined	Attainment	90%	86%	23.3%	17.8%
	National	65%	51%	10%	4%

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

The success of the school has resulted in the school being highly oversubscribed and the school has had to attend a large number of appeals.

Pupils make outstanding progress from their individual starting points despite being from a particularly challenging and disadvantaged area. The school has been the highest performing school in Thurrock for both progress and outcomes at KS2 for the past 4 years.

Progress and attainment is significantly above national expectations for attainment and progress with disadvantaged pupils significantly out performing non-disadvantaged nationally

Designated as a National Support School.

Key School Improvement Priorities in 2019-2020

To continually improve and reflect on the quality and consistency of effective teaching (100% graded good and 80% outstanding) across the school through a focus on:

- High levels of pupil engagement in learning
- High levels of cognitive challenge
- Excellent use of assessment to support learning within lessons through effective questioning & feedback
- Well differentiated pupil tasks that enable all pupils to demonstrate independence and rapid progress in their learning.

To raise standards across the school through the use of effective assessment and monitoring systems with a focus on the performance of the lowest and the highest 20% of learners in each year group with these pupils receiving teacher led support at least 3 times a week in English and Maths lessons to challenge and ensure continued progress for all.

To develop the relationship with parents to encourage engagement with learning strategies and to enable them to support learning at home by providing live lessons and workshops for parents. To develop links with the community and parents offering courses for them to participate in to enable them to achieve accreditation for their own learning.

To provide opportunities for pupils to access a wide, rich set of experiences beyond the formal curriculum to promote extensive personal development of all individuals. Stakeholders feel supported for well-being issues.

Development of the roles of middle leaders to set consistent high expectations of all stakeholders and develop understanding of accountability.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Dilkes Academy

Ofsted Rating: Outstanding (2012)

Attendance	2016	2017	2018	2019
School	96.4%	96.9%	96.9%	96.7%
National	96.0%	96.1%	96.0%	TBA

EYF5	GLD	
	Nat	School
2018-2019	72%	73%

Phonics		ARE	
		Cohort	Disad
Year 1	Attainment	87%	91%
	National	83%	70%
Year 2	Attainment	90%	74%
	National	92%	70%

Year 2		ARE		AGD	
		Cohort (59)	Disad (14)	Cohort (59)	Disad (14)
Reading	Attainment	78%	64%	17%	14%
	National	75%	60%	26%	13%
Writing	Attainment	71%	50%	17%	0%
	National	70%	53%	16%	7%
Maths	Attainment	81%	64%	19%	7%
	National	76%	61%	22%	11%

Year 6		ARE		AGD	
		Cohort (60)	Disad (10)	Cohort (60)	Disad (10)
Reading	Attainment	93%	90%	42%	30%
	National	73%	64%	28%	18%
Writing	Attainment	93%	100%	50%	40%
	National	78%	67%	20%	11%
Maths	Attainment	97%	100%	43%	40%
	National	79%	64%	24%	14%
Combined	Attainment	90%	90%	27%	10%
	National	65%	51%	10%	4%

The success of the school has resulted in the school being highly oversubscribed in certain year groups and the school has had to attend a large number of appeals.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Pupils make outstanding progress from their individual starting points despite being from a particularly challenging and disadvantaged area. The school shares the top spot with Quarry Hill Academy as the highest performing school for outcomes at KS2.

Progress and attainment is significantly above national expectations for attainment and progress with disadvantaged pupils significantly out performing non-disadvantaged nationally

The school's Teaching School status has given many teachers the opportunity to be involved in delivering our High Impact Teaching programme and coach colleagues from other schools in improving their practice. On evaluation over 90% of local primary schools have been actively involved in CPD programmes led by TPTSA.

The school has continually developed its highly effective their ITE work (Teach Thurrock Primary Partnership) and have been the lead school in delivering the Teach Thurrock programme for trainee teachers.

The school is an Appropriate Body, monitoring the quality of provision and running additional training to up skill newly qualified teachers, trainee teachers and graduate assistants in many different aspects of teaching and learning. 100% of those trained were offered positions to teach with Thurrock schools.

Key School Improvement Priorities in 2019-20

- 1) Ensure that the quality of teaching is both consistent and effective (at least 100% graded good and 50% outstanding) across the school through a focus on:
 - High levels of pupil engagement in learning
 - High levels of cognitive challenge
 - Excellent use of assessment to support learning within lessons through effective questioning & feedback
 - Well pitched tasks that enable all pupils to demonstrate independence and rapid progress in their learning.
- 2) To raise achievement levels in Reading, Writing and Maths across the school through the use of effective assessment and monitoring systems especially for disadvantaged pupils through ensuring high expectations and outstanding experiences. Ensure pupils with SEND make good progress against their individual targets/starting points.
- 3) To develop the relationship with parents to encourage engagement with learning strategies and to enable them to support learning at home by providing live lessons and workshops for parents.
- 4) To develop the role of middle leaders to set consistent high expectations for all stakeholders and develop an understanding of accountability.
- 5) To support all staff and pupils' Emotional Health and Well-Being through a caring environment and ethos.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Benyon Primary School
Ofsted Rating: Good (2019)

Attendance	2016	2017	2018	2019
School	94.6%	94.5%	94.9%	95%
National	96.0%	96.1%	96.0%	TBA

EYF5	ARE	
	Nat	School
2018-2019	73%	76%

Phonics		ARE	
		Cohort	Disad
Year 1	Attainment	85%	80%
	National	83%	70%
Year 2	Attainment	90%	86%
	National	92%	70%

Year 2		ARE		AGD	
		Cohort	Disad	Cohort	Disad
Reading	Attainment	83%	86%	21%	0%
	National	75%	60%	26%	13%
Writing	Attainment	83%	86%	17%	0%
	National	70%	53%	16%	7%
Maths	Attainment	83%	86%	17%	0%
	National	76%	61%	22%	11%

Year 6		ARE		AGD	
		Cohort	Disad	Cohort	Disad
Reading	Attainment	83%	100%	21%	22%
	National	73%	64%	28%	18%
Writing	Attainment	96%	100%	17%	11%
	National	78%	67%	20%	11%
Maths	Attainment	88%	100%	33%	11%
	National	79%	64%	24%	14%
Combined	Attainment	80%	100%	13%	11%
	National	65%	51%	10%	4%

The school moved from inadequate to good in its first inspection as an academy with performance which has, at the very, least met national expectations. Disadvantaged pupils are significantly outperforming non-disadvantaged pupils nationally at the end of KS1 and KS2.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

The success of the school has resulted in the school being almost full. A large housing development is in the process of being completed within catchment which could result in a possible strain on school places in future years. The local Authority have agreed to fully fund the expansion of Benyon Primary to become a full two form entry school opening in September 2020.

Key School Improvement Priorities in 2019-20

To continually improve and reflect on the quality and consistency of effective teaching (100% graded good and 45% outstanding) across the school through a focus on:

- High levels of pupil engagement in learning
- High levels of cognitive challenge
- Excellent use of assessment to support learning within lessons through effective questioning & feedback
- Well differentiated pupil tasks that enable all pupils to demonstrate independence and rapid progress in their learning.

To continue to raise standards across the school through the use of effective assessment and monitoring systems with a focus on the performance of the lowest and the highest 20% of learners in each year group with these pupils receiving teacher led support at least 3 times a week in English and Maths lessons to challenge and ensure continued progress for all.

To further develop the foundation curriculum so that pupils have plentiful opportunities to develop subject specific skills, by utilising learning outside the classroom, as well as by responding at length to challenging questions.

To develop the outdoor provision to ensure pupil's emotional health and wellbeing is catered for, through positive playtimes, by providing a greater range of activities and resources for them to engage in.

To further embed a culture where staff feel that they receive high levels of support to promote wellbeing.

To continue to develop the roles of middle leaders to set consistent high expectations of all stakeholders and develop understanding of accountability:

Phase Leads (EYFS/KS1/KS2) – effective analysis of interim assessments and actions to ensure progress for all; analysis of impact of Wave 2 Interventions; performance management and coaching of parallel teachers; effective and rigorous mentoring of NQTs/students to ensure high expectations for quality teaching and learning are met by all.

Curriculum Leads – successful application of quality mark for given subject; clear action plan to develop subject; confident ownership of subject area and proactive approach to sourcing and implementing new initiatives promoting high expectations and consistent outcomes throughout the Trust. Development of subject enrichment days (1 subject per ½ term). Each subject has planned opportunities across each year group of enriching educational visits to immerse children in learning focus

Outreach support – Class Teachers to work with other year group/ curriculum leads in Catalyst schools in planning and teaching and learning; monitor and ensure central drive is updated and resources are all accessible.

System Leadership – SLE leadership - effective deployment in other schools in Thurrock; contribute to training programmes for students and NQTs; training sessions led by outstanding practitioners. Maths Hub membership to develop mastery across the school and beyond.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Somers Heath Primary School

Ofsted rating: Good (2016)

Attendance	2016	2017	2018	2019
School	95%	95%	94.8%	95.8%
National	96.0%	96.1%	96.0%	TBA

EYFS	GLD	
	Nat	School
2018-2019	72%	73%

Phonics		ARE	
		Cohort	Disad
Year 1	Attainment	78%	75%
	National	83%	70%
Year 2	Attainment	98%	95%
	National	92%	93%

Year 2 (Current Teacher Assess)		ARE		AGD	
		Cohort	Disad	Cohort	Disad
Reading	Attainment	75%	57%	29%	17%
	National	75%	60%	26%	13%
Writing	Attainment	73%	57%	22%	13%
	National	70%	53%	16%	7%
Maths	Attainment	81%	65%	23%	9%
	National	76%	61%	22%	11%

Year 6		ARE		AGD	
		Cohort	Disad(28)	Cohort	Disad(28)
Reading	Attainment	81%	79%	24%	21%
	National	73%	64%	28%	18%
Writing	Attainment	81%	71%	24%	21%
	National	78%	67%	20%	11%
Maths	Attainment	93%	86%	41%	29%
	National	79%	64%	24%	14%
Combined	Attainment	75%	64%	14%	7%
	National	65%	51%	10%	4%

The school has undergone extensive refurbishment and expansion in 2016/17. This coupled with the Good outcome in the most recent Ofsted inspection and positive reputation locally has resulted in a rapid growth in pupil numbers.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Since conversion, attainment has been stabilised and the quality of teaching, monitoring and assessment has improved rapidly. Outcomes exceed national benchmarks and we look forward to accelerating this success further.

Key School Improvement Priorities 2019 – 2020

Ensure that the quality of teaching is both consistent and effective in all subject areas across the school, through a focus on:

- High levels of pupil engagement in learning.
- Tasks which enable independence, encourage progress and offer cognitive challenge.
- Excellent use of assessment to support and extend learning within lessons.
- Adopting a rich and broad curriculum which develops skills and enhances knowledge.

Enable all children to make at least expected progress relevant to their starting point and raise attainment in all subjects, particularly reading.

Meet the needs of disadvantaged and SEND pupils in order to facilitate their access to the curriculum, encourage progress and raise attainment.

Develop clearly defined roles for all middle and senior leaders in order to facilitate high quality provision for all children and cultivate a system of accountability.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Aveley Primary School

Ofsted rating: Requires improvement (2018)

Attendance	2016	2017	2018	2019
School	95.2%	95.1%	95.1%	94.8%*
National	96.0%	96.1%	96.0%	TBC

*to 14.06.19

EYFS	GLD	
	Nat	School
2018-2019	72%	72%

Phonics		ARE	
		Cohort	Disad
Year 1	Attainment	71%	54%
	National	83%	70%
Year 2	Attainment	81%	50%
	National	92%	70%

Year 2		ARE		AGD		Progress (since EYFS)	
		Cohort	Disad	Cohort	Disad	Cohort	Disad
Reading	Attainment	57%	33%	19%	8%	82%	82%
	National	75%	60%	26%	13%		
Writing	Attainment	53%	25%	12%	8%	82%	64%
	National	70%	53%	16%	7%		
Maths	Attainment	73%	50%	19%	0%	82%	91%
	National	76%	61%	22%	11%		

Year 6		ARE		AGD	
		Cohort	Disad	Cohort	Disad
Reading	Attainment	75%	63%	18%	13%
	National	73%	64%	28%	18%
Writing	Attainment	92%	88%	28%	12%
	National	78%	67%	20%	11%
Maths	Attainment	75%	56%	15%	6%
	National	79%	64%	24%	14%
Combined	Attainment	65%	44%	8%	6%
	National	65%	51%	10%	4%

Aveley joined Catalyst in February 2019 and have already begun embracing our approach to teaching and learning. The school is enjoying the support and challenge that it receives from the Trust as a whole. The peer support that comes from our schools is helping the school to benchmark the quality of service that they provide in every area and ensure that they are providing the highest quality provision for their pupils.

Outcomes in 2019 met national expectations at the end of KS2 which is already an improvement based on

CATALYST ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

previous years. 2020 outcomes are set to increase again as the school takes on more strategies and raises expectations as set out by the trust.

Key School Improvement Priorities 2019 – 2020

Ensure that the quality of teaching is both consistent and effective (at least 100% graded good and 50% outstanding) across the school through a focus on;

- High levels of pupil engagement in learning
- High levels of cognitive challenge
- Excellent use of assessment to support learning within lessons through effective questioning & feedback
- Well pitched tasks that enable all pupils to demonstrate independence and rapid progress in their learning.
- Establish and refine the roles and responsibilities of the new Academy Governing Body

Continue to embed the Catalyst EYFS curriculum to ensure that all children, particularly the most disadvantaged, gain the knowledge, self-belief and cultural capital they need to succeed in life.

Continue to promote and embed the rich curriculum offered through Cornerstones in Years 1-6 to ensure that all children, particularly disadvantaged pupils and including pupils with SEND, gain the knowledge and cultural capital they need to succeed in life.

Introduction of RWI to ensure that there is a sharp focus on ensuring that younger children gain phonics knowledge and language comprehension necessary to read.

Reading is promoted across the school with a rigorous and sequential approach to ensure that children's fluency, confidence and enjoyment of reading develops. Gaps in knowledge and understanding are quickly addressed.

Financial KPI's

The Trustees have considered the following financial key performance indicators when considering the year end accounts and other financial information, received during the year .

Staff costs as a percentage of GAG income - 112.1% (2018 : 113.1%)
Staff costs as a percentage of charitable income - 79.3% (2018 : 82.8%)
Teaching and teaching assistants costs as a percentage of GAG - 92.8% (2018 : 86.6%)
Support staff costs as a percentage of GAG - 19.3% (2018 : 26.5%)
Pupil premium £637,640 (2018: £417,148)
As a percentage of charitable income - 6.6% (2018 : 6.5%)

The Trustees consider these results to be in line with expectations and plans.

b. Going concern

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

CATALYST ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

c. Review of activities

Aveley Primary School joined the Trust and opened as an Academy in February 2019.

There has been a marked impact on standards across the Trust. All four Trust schools are rated as either good or outstanding in their last inspection. This is significant improvement considering one school was judged to be inadequate and another as requiring improvement. The rapid turnaround of these schools can be directly attributed to support that each school received from Catalyst Academies Trust.

The KS2 results have exceeded national for the past three years in every Trust school. The Trust now has the highest performing schools in Thurrock with two school ranked as 1st and 2nd in the KS2 performance tables. On average the Trust has maintained its average with 80% of Trust pupils leave KS2 reaching the expected standard for Reading, Writing and Maths combined, which is significantly higher than national.

All schools are actively involved in all joint professional learning days and every school is committed to at least maintain standards this year. In year progress is above national expectations for all year groups.

Financial review

a. Overview

Catalyst Academies Trust started operating on 18 February 2013. The majority of the Trust's income is derived from the Education Skills Funding Agency (ESFA), (formerly the Education Funding Agency). The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy Trust also receives grants for capital expenditure from the ESFA and Local Authority; all these grants are shown as restricted income.

Funding has continued to support our key objective of raising teaching and learning standards, with a particular focus on the development of literacy skills through the provision of extra teaching and support staff.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

b. Reserves policy

The Board of the Academy Trust regularly monitors the reserves to ensure that sufficient funds are maintained to meet anticipated future needs whilst avoiding long term accumulation of excessive sums. At 31 August 2019, the Academy had free reserves of £1,085,996.

The Board of the Academy Trust maintains a prudent level of reserves in line with their policy to spend funding received on the pupils in the Trust at that time, except where a specific project required funding to be built up over several years.

It is the Board's intention to utilise reserves for each school in line with their School Development Plan.

Benyon Primary School: After the LA funded expansion the school plan to continue rolling out its premises maintenance projects including corridor refurbishment, lighting and school display spaces to ensure that all pupils have access to the highest quality learning environments.

Dilkes Academy: The school have a classroom building project underway. This project replaced the old decaying demountable.

Quarry Hill Academy: The School plans to refurbish the Dell Road site. There are also plans to build a MUGA pitch which will be financed by a school contribution and external funding.

Somers Heath Primary. The school was successful in their PSBP2 application and as a result the older side of the school is being refurbished. There are also plans to refurbish 3 playground areas and complete internal and external signage around the school.

Aveley Primary School: The school is applying for funding to replace all rooves as well as improving on electrical and fire safety throughout the building.

The Trust schools are making applications for CIF bids and an appropriate amount will also be contributed to those projects if successful.

Plans for future periods

To improve the quality and consistency of effective teaching (at least 90% graded good and 25% outstanding) across the trust through a focus on:

- High levels of pupil engagement in learning
- High levels of cognitive challenge
- Excellent use of assessment to support learning within lessons through effective questioning & feedback
- Well differentiated pupil tasks that enable all pupils to demonstrate independence and rapid progress in their learning.

To raise standards across the Trust through the use of effective assessment and monitoring systems with a focus on the performance of all groups of learners.

Review and refine the curriculum to ensure that it promotes high expectations and engaging, memorable experiences for every child.

Raise achievement levels in Maths across the trust, through enhancing provision within, across and beyond the taught curriculum.

To improve the progress and attainment rates of SEN pupils and those in receipt of pupil premium through programmes and early identification through assessment.

Development of roles of middle leaders through rigorous performance management to set consistent high

CATALYST ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

expectations of all stakeholders and develop understanding of accountability.

Through effective working partnerships across the trust increase the impact and effectiveness of all assessment tracking systems for year groups/ subject data and intervening as required.

c. Principal risks and uncertainties

The Academy Trust has a comprehensive Risk Register which is reviewed regularly. Falling pupil numbers would impact on funding streams for the Trust, making a deficit budget a possibility and affecting long term viability. Consequently pupil forecasts are monitored carefully and appropriate responsive action is taken.

Fundraising

Our schools select a small number of charities to support during the academic year and have included British Heart Foundation, BBC Children In Need, Macmillan Cancer Research, Royal British Legion Poppy Appeal, Save the Children, Sports Relief and local Foodbanks. The donations received from pupils/staff/parents/carers are paid to the registered Charities. Our schools also hold fundraising events, which are run by the school together with a number of selected volunteers who are mainly parents. These events can include Summer and Christmas Fayres.

Plans for future periods

To expand the Trust to six schools to build capacity and centralise functions

Review current systems to look at financial sustainability and consider centralising some functions

Continue to implement the Peer Teaching Enhancement programme to share good practice across the schools and improve quality of teaching in both schools

To assist in matching continuing professional development to individual staff need through 1 to 1 coaching, mentoring, training and support

Continue to develop the cross school year group interim assessment data to be analysed and moderated each half term during Catalyst Professional Learning Days then used to plan appropriate provision and intervention

Support the development of JPD sessions in all Catalyst Academies Trust schools, forming action research groups who will research effective high impact strategies.

Review the leadership capability each half term, identify targets and plan appropriate support.

Develop Governors' capability in holding leaders to account in both schools when conducting audit visits each term that impact on the quality of provision

Provide the support; resources and training that both schools need to maintain at least a good judgement in their next Ofsted inspection.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's equal opportunities policy, the academy has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

The auditors, MWS Chartered Accountants, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 5 December 2019 and signed on its behalf by:



.....
Mrs L Tyler
(Chair of Trustees)

CATALYST ACADEMIES TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to T Parfett, 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 Catalyst Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 3 times during the year. The Governing Body delegate finance responsibility to the Finance committee so with those meetings taken into account the Full Governing Body believe they have met 6 times last year and have full insight into the finances of the school.

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

Trustee	Meetings attended	Out of a possible
Mr K Williams	3	3
Mr T Drakes	2	3
Mrs S Coote	2	2
Mr D Walters, Vice Chair	3	3
Mrs L Tyler, Chair	3	3
Mr T Parfett, Chief Executive Officer	3	3
Miss D Dalrymple	2	2
Mr K Imbush	2	2
Mr M Pettican	2	2
Mr D Foxwell-Jones	2	2

The key changes in the Board of Trustees during the year was as follows:

One trustee resigned in the Spring term

Four trustees appointed in the Spring term

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to report back to the Governing Body on the school's financial undertakings and to make recommendations to the Full Governing Body.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Walters	3	3
Mr T Drakes	3	3
Mr K Williams	3	3
Mr M Pettican	1	1
Mr D Foxwell-Jones	1	1

Review of value for money

As accounting officer, T Parfett has responsibility for ensuring that the academy 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.

CATALYST ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The accounting officer considers how the academy'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 has delivered improved value for money during the year by:

Over the last financial period, Catalyst Academies Trust has continued to take a wide range of steps to ensure that the education standards and levels of attainment for all pupils have continued to be maintained.

The Trust has focussed on targeted improvement linked to the School Development Plan which is individualised to meet the needs of each school. These plans focus on ensuring that each Academy is delivering a strong curriculum that promotes pupil progress and wellbeing.

The Trust has focussed on improving the quality of writing across each Academy by ensuring teachers set challenging targets for pupils in English, by ensuring teachers provide feedback to pupils that helps move their learning forward and by involving parents and children more in their education through participation in curriculum workshops. The Trust has continued to keep the staffing structure at both academies under review. This has led to a rationalisation of senior leadership roles with some amalgamation of roles to effect greater efficiency.

The Trust has begun to move towards working collaboratively with the partner schools to look at economies of scale when making purchases. Already, significant savings have been made in the areas of insurance, legal support and HR services.

Financial procedures have been tightened so that there is greater accountability and clarity of role. The range of activities available to parents outside normal school hours continues to develop at all academies and they benefit significantly from the income generated by activities such as a Sports & Arts Club where all academies offer a range of after school activities. The Trust has successfully implemented free school meals for all Key Stage 1 children and the kitchens now provides approximately 800 nutritional meals a day with the income from this supporting the overall work. Each School within the Trust has produced a detailed financial analysis of how the pupil premium funding was spent and the impact of the funding for individual pupils. Similarly, funding for catch up groups and booster groups for pupils is calculated in the same way.

The Trust has internal controls in place to ensure strict financial procedures are followed. A Responsible Officer is appointed to make independent checks for each school within the Trust. The Local Governing Body and the Board of Directors receives regular budget reports which are analysed to identify areas of overspend and underspend. Regular monitoring ensures the best use of resources and prevents waste. Bank balances are carefully monitored and an interest bearing account is used for short term investment. The Trust purchases a commercial combined insurance package and also a staff absence insurance to ensure it has adequate cover to manage risks.

Quarry Hill Academy was successful in bidding for CIF projects to replace the heating system and drainage to the school field for the new MUGA pitch.

Dilkes Academy was successful in bidding for funds to replace the dilapidated demountable with a new class build. The Arena (MUGA) and heating system upgrades for the school were completed in 2019.

Somers Heath Primary School was successful in bidding for CIF projects to replace a portion of their school roof. Somers Heath Primary School have been successful with a PSBP2 application and the refurbishment should commence Spring 2020.

We will be submitting 20/21 CIF bid applications for Aveley Primary School in the next CIF round in December 2019.

Regular maintenance and refurbishment to the fabric of the buildings is ensuring that an attractive and stimulating environment is provided for all pupils. Governance provided strong challenge over such purchases and all contracts and services for the Trust are always appraised and approved to ensure value for money. Over

CATALYST ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

some projects the Trust has chosen an option that was not the cheapest but was the most cost effective over time. The Trust has a policy of regularly applying for grants to improve the fabric of all its buildings and this will continue next year for both schools.

There is a constant desire within Catalyst Academies Trust to improve through better systems that lead to better outcomes for pupils. Value for money is a key part of ensuring we are able to do this.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Catalyst Academies Trust 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's significant risks that has been in place for the year 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.

CATALYST ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The academy'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 Finance 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 decided not to appoint an internal auditor. However, the Trustees have appointed Essex ICE Service to carry out a programme of internal checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the reviewer reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, and there were no material control or other issues reported by the RO to date.

Review of effectiveness

As accounting officer, the T Parfett 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 reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 5 December 2019 and signed on their behalf by:

.....
Mrs L Tyler
Chair of Trustees

.....
Mr T Parfett
Accounting Officer

CATALYST ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Catalyst Academies Trust I have considered my responsibility to notify the academy 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 academy, under the funding agreement in place between the academy 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 academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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 T Parfett
Accounting Officer
Date: 5 December 2019

CATALYST ACADEMIES TRUST
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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 of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 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 5 December 2019 and signed on its behalf by:


.....
Mrs L Tyler
(Chair of Trustees)

CATALYST ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATALYST ACADEMIES TRUST**

Opinion

We have audited the financial statements of Catalyst Academies Trust (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Except for the possible effects of the matters described in the Basis for Qualified opinion paragraph the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

During the year Aveley Primary School joined the trust. The inherited fixed assets have been brought in at a valuation of of £6,223,647. We were unable to obtain sufficient appropriate audit evidence to substantiate that valuation because the Education and skills Funding Agency have not provided a valuation. Consequently we were unable to determine whether any adjustments to the valuations were necessary.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 academy'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.

CATALYST ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATALYST ACADEMIES TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

CATALYST ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATALYST ACADEMIES TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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 academy'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 academy or to cease operations, or have no realistic alternative but to do so.

CATALYST ACADEMIES TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATALYST ACADEMIES TRUST (CONTINUED)**

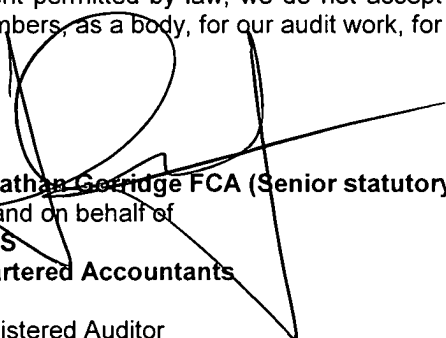
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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.

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

Use of our report

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



Jonathan Goerridge FCA (Senior statutory auditor)
for and on behalf of
MWS
Chartered Accountants

Registered Auditor
Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

11 December 2019

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CATALYST ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 May 2013 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 Catalyst Academies Trust 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 Catalyst Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Catalyst Academies Trust 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 Catalyst Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Catalyst Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Catalyst Academies Trust's funding agreement with the Secretary of State for Education dated 26 March 2013 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 or that 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 academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Assessing the risk of material irregularity in the Academy Trust
- Commissioning a self-assessment review of the Trustees' governance arrangements and consideration of any material non-compliance with the Academies Financial Handbook
- Investigating any areas of significant risk identified
- Consideration of the work performed under our audit engagement and any impact this may have on our regularity conclusion or regularity risk assessment
- A review of the internal controls and internal audit procedures for areas of significant risk and performing further substantive testing where necessary.

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CATALYST
ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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.



MWS
Chartered Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

Date: 11 December 2019

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	(760,000)	8,781,934	260,207	8,282,140	5,065,462
Charitable activities		8,987,818	-	-	8,987,818	6,107,975
Other trading activities		-	-	405,878	405,878	214,544
Investments	6	-	-	811	811	1,074
Total income		8,227,818	8,781,934	666,896	17,676,648	11,389,055
Expenditure on:						
Charitable activities		9,965,999	692,134	112,112	10,770,245	7,289,686
Total expenditure		9,965,999	692,134	112,112	10,770,245	7,289,686
Net (expenditure)/income		(1,738,181)	8,089,800	554,784	6,906,403	4,099,369
Transfers between funds	18	(139,227)	650,852	(511,625)	-	-
Net movement in funds before other recognised gains/(losses)		(1,877,408)	8,740,652	43,159	6,906,403	4,099,369
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	(774,000)	-	-	(774,000)	608,000
Net movement in funds		(2,651,408)	8,740,652	43,159	6,132,403	4,707,369
Reconciliation of funds:						
Total funds brought forward		(2,420,807)	16,580,843	1,042,837	15,202,873	10,495,504
Net movement in funds		(2,651,408)	8,740,652	43,159	6,132,403	4,707,369
Total funds carried forward		(5,072,215)	25,321,495	1,085,996	21,335,276	15,202,873

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 38 to 64 form part of these financial statements.

CATALYST ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08407989

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	23,713,149	16,157,526
		<u>23,713,149</u>	<u>16,157,526</u>
Current assets			
Debtors	15	1,074,599	406,853
Cash at bank and in hand		2,877,966	2,742,885
		<u>3,952,565</u>	<u>3,149,738</u>
Creditors: amounts falling due within one year	16	(855,813)	(680,193)
Net current assets		<u>3,096,752</u>	<u>2,469,545</u>
Total assets less current liabilities		<u>26,809,901</u>	<u>18,627,071</u>
Creditors: amounts falling due after more than one year	17	(54,625)	(69,198)
Net assets excluding pension liability		<u>26,755,276</u>	<u>18,557,873</u>
Defined benefit pension scheme liability	25	(5,420,000)	(3,355,000)
Total net assets		<u><u>21,335,276</u></u>	<u><u>15,202,873</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	18	25,321,495	16,580,843
Restricted income funds	18	347,785	934,193
		<u>25,669,280</u>	<u>17,515,036</u>
Restricted funds excluding pension asset	18	25,669,280	17,515,036
Pension reserve	18	(5,420,000)	(3,355,000)
Total restricted funds	18	<u>20,249,280</u>	<u>14,160,036</u>
Unrestricted income funds	18	1,085,996	1,042,837
Total funds		<u><u>21,335,276</u></u>	<u><u>15,202,873</u></u>

The financial statements on pages 34 to 64 were approved by the Trustees, and authorised for issue on 05 December 2019 and are signed on their behalf, by:

Mrs L Tyler
(Chair of Trustees)



CATALYST ACADEMIES TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The notes on pages 38 to 64 form part of these financial statements.

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	21	280,405	886,203
Cash flows from investing activities	22	(145,324)	80,378
Change in cash and cash equivalents in the year		135,081	966,581
Cash and cash equivalents at the beginning of the year		2,742,885	1,776,304
Cash and cash equivalents at the end of the year	23	<u>2,877,966</u>	<u>2,742,885</u>

The notes on pages 38 to 64 form part of these financial statements

CATALYST ACADEMIES TRUST
(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), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Catalyst Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fund accounting

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

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

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

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

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

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

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

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the academy on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the academy. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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

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

CATALYST ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

1.7 Interest receivable

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

1.8 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Leasehold property	- Straight line over 50 years
Furniture and equipment	- Straight line over 4 years
Computer equipment	- Straight line over 3 years

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.

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 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 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.13 Pensions

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Conversion to an academy trust

The conversion from a state maintained school to an academy involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Aveley Primary School to the academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

CATALYST ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

3. Income from donations and capital grants

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations					
Donations - general funds	-	-	35,232	35,232	31,068
Educational trips and visits	-	-	97,599	97,599	65,036
Transfer on existing academy joining the trust	-	-	-	-	3,780,940
Inherited on conversion	(760,000)	6,856,271	127,376	6,223,647	-
Donations subtotal	(760,000)	6,856,271	260,207	6,356,478	3,877,044
Capital grants	-	1,925,663	-	1,925,663	1,188,418
Capital grants subtotal	-	1,925,663	-	1,925,663	1,188,418
	(760,000)	8,781,934	260,207	8,282,141	5,065,462
Total 2018	(507,552)	5,075,089	497,925	5,065,462	

CATALYST ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. Funding for the academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	6,742,440	6,742,440	4,700,311
Other DfE/EFA grants	1,119,604	1,119,604	714,171
	<hr/> 7,862,044	<hr/> 7,862,044	<hr/> 5,414,482
Other government grants			
Local authority grants	1,125,774	1,125,774	693,493
	<hr/> 8,987,818	<hr/> 8,987,818	<hr/> 6,107,975
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Hire of facilities	7,580	7,580	7,046
Catering income	133,791	133,791	84,683
Services provided	-	-	28,045
School sales	799	799	3,618
Teaching school income	58,237	58,237	7,049
Other income	205,471	205,471	84,103
	<hr/> 405,878	<hr/> 405,878	<hr/> 214,544
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Short-term deposits	811	811	1,074
	<hr/>	<hr/>	<hr/>

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Educational Operations:					
Direct costs	6,256,663	-	436,355	6,693,018	4,501,534
Allocated support costs	1,926,132	-	2,151,095	4,077,227	2,788,153
	<u>8,182,795</u>	<u>-</u>	<u>2,587,450</u>	<u>10,770,245</u>	<u>7,289,687</u>
<i>Total 2018</i>	<u>5,315,502</u>	<u>813,485</u>	<u>1,160,700</u>	<u>7,289,687</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational Operations	6,693,018	4,077,227	10,770,245	7,289,687
<i>Total 2018</i>	<u>4,501,534</u>	<u>2,788,153</u>	<u>7,289,687</u>	

Analysis of direct costs

	Educational Operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	6,229,202	6,229,202	4,068,497
Educational supplies	269,308	269,308	219,947
Staff development	46,782	46,782	10,363
Educational consultancy	79,054	79,054	68,915
Technology costs	68,672	68,672	133,812
	<u>6,693,018</u>	<u>6,693,018</u>	<u>4,501,534</u>

CATALYST ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Pension income	95,000	70,000
Staff costs	1,953,594	1,247,004
Depreciation	692,134	542,001
Technology costs	601	462
Recruitment and support	2,519	3,211
Maintenance of premises and equipment	156,853	99,221
Cleaning	41,068	45,307
Rent and rates	59,390	54,277
Energy costs	110,487	72,393
Insurance	93,576	82,493
Security and transport	28,280	16,532
Catering	383,868	274,360
Bank interest and charges	2,212	1,857
Legal and professional fees	376,322	203,949
Other support costs	81,322	75,086
	<u><u>4,077,227</u></u>	<u><u>2,788,153</u></u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	<i>2018 £</i>
Operating lease rentals	11,981	8,487
Depreciation of tangible fixed assets	692,134	542,001
Fees paid to auditors for:		
- audit	<u><u>27,500</u></u>	<u><u>22,000</u></u>

CATALYST ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	5,751,681	3,926,332
Social security costs	492,031	323,449
Pension costs	1,458,036	838,953
	<u>7,701,748</u>	<u>5,088,734</u>
Agency staff costs	481,047	226,768
	<u><u>8,182,795</u></u>	<u><u>5,315,502</u></u>

b. Staff numbers

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

	2019	2018
	No.	No.
Management	19	18
Teachers	112	84
Administration and support	196	152
	<u>327</u>	<u>254</u>

CATALYST ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	-	1
In the band £100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 pension contributions for these staff members amounted to £50,175 (2018 - £35,472).

d. Key management personnel

The total remuneration for the key management personnel, who are the Chief Executive Officer of the Trust and the headteachers of the schools in the Trust, totalled £473,558 (2018 - £281,976) of which £406,862 (2018 - £242,222) related to pay and £66,696 (2018 - £39,754) to pension payments.

11. Central services

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

- Staffing
- Statutory audit fees
- Trustee insurance and premises valuations
- Professional fees
- General running costs

The academy charges for these services on the following basis:

Costs are paid out of central retained funds. Retention rate is 2.5%-5% of non-earmarked funding.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Aveley Primary School	50,177	-
Benyon Primary School	49,957	46,811
Dilkes Academy	79,086	34,559
Quarry Hill Academy	50,174	75,736
Somers Heath Primary School	39,754	39,132
Total	<u>269,148</u>	<u>196,238</u>

CATALYST ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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:

		2019	2018
		£	£
Mr T Parfett, Chief Executive Officer	Remuneration	105,000 -	90,000 -
		110,000	95,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000
Mrs S Coote	Remuneration	25,000 -	45,000 -
		30,000	50,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

13. 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 the cost for the year ended 31 August 2019 is included in the total insurance cost.

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14. Tangible fixed assets

	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	16,127,699	396,162	3,100,880	629,701	20,254,442
Additions	1,128,684	174,461	43,444	44,897	1,391,486
Inherited on conversion	6,844,090	-	745	11,436	6,856,271
Transfers between classes	396,162	(396,162)	-	-	-
At 31 August 2019	<u>24,496,635</u>	<u>174,461</u>	<u>3,145,069</u>	<u>686,034</u>	<u>28,502,199</u>
Depreciation					
At 1 September 2018	1,162,661	-	2,393,828	540,427	4,096,916
Charge for the year	386,293	-	241,532	64,308	692,133
At 31 August 2019	<u>1,548,954</u>	<u>-</u>	<u>2,635,360</u>	<u>604,735</u>	<u>4,789,049</u>
Net book value					
At 31 August 2019	<u>22,947,681</u>	<u>174,461</u>	<u>509,709</u>	<u>81,299</u>	<u>23,713,150</u>
At 31 August 2018	<u>14,965,038</u>	<u>396,162</u>	<u>707,052</u>	<u>89,274</u>	<u>16,157,526</u>

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	19,722	5,458
Other debtors	157,959	101,837
Prepayments and accrued income	896,918	299,558
	<u>1,074,599</u>	<u>406,853</u>

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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	14,573	14,573
Trade creditors	17,917	50,674
Other taxation and social security	137,334	102,513
Pension creditor	137,924	101,752
Other creditors	834	1,136
Accruals and deferred income	547,231	409,545
	<u>855,813</u>	<u>680,193</u>
	2019 £	2018 £
Deferred income at 1 September 2018	168,081	640,310
Resources deferred during the year	308,380	168,081
Amounts released from previous periods	(168,081)	(640,310)
	<u>308,380</u>	<u>168,081</u>

At the balance sheet date the Academy Trust was holding income received in advance for:
 Universal Infant Free School Meals £147,512 (2018 - £164,217)
 Other government grants £11,160 (2018 - £Nil)
 Early years funding £146,278 (2018 - £Nil)
 Educational trips and visits £3,430 (2018 - £3,864)

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17. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	<u>54,625</u>	<u>69,198</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Payable or repayable by instalments	<u>7,277</u>	<u>14,554</u>
	<u><u>7,277</u></u>	<u><u>14,554</u></u>

The above relates to three Salix loans provided by the Department of Education, all at 0%.

Benyon, the total carrying amount at the year end was £25,536 (2018 - £32,832). The total loan was for £36,480 and is being paid off £3,648 yearly for 10 years.

Dilkes, the total carrying amount at the year end was £23,940 (2018 - £27,930). The total loan was for £31,920 and is being paid off £3,990 yearly for 8 years.

Quarry Hill, the total carrying amount at the year end was £19,722 (2018 - £23,009). The total loan was for £26,296 and is being paid off £3,248 yearly for 8 years.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	1,042,837	666,896	(112,112)	(511,625)	-	1,085,996
Restricted general funds						
General annual grant (GAG)	208,433	6,742,441	(6,708,606)	(43,595)	-	198,673
Other DfE/ESFA grants	82,741	1,128,261	(1,094,440)	-	-	116,562
Local authority grants	-	1,117,116	(1,125,773)	-	-	(8,657)
Central fund	51,387	-	(10,180)	-	-	41,207
CIF revenue grant	591,632	-	-	(591,632)	-	-
Pension reserve	(3,355,000)	(760,000)	(1,027,000)	496,000	(774,000)	(5,420,000)
	<u>(2,420,807)</u>	<u>8,227,818</u>	<u>(9,965,999)</u>	<u>(139,227)</u>	<u>(774,000)</u>	<u>(5,072,215)</u>
Restricted fixed asset funds						
Purchased fixed assets	3,878,031	-	(188,745)	1,322,286	-	5,011,572
Inherited assets	11,097,856	-	(477,701)	6,856,271	-	17,476,426
Local authority gifted assets	1,181,641	-	(25,688)	-	-	1,155,953
Capital grants	423,315	1,925,663	-	(671,434)	-	1,677,544
Funds on conversion	-	6,856,271	-	(6,856,271)	-	-
	<u>16,580,843</u>	<u>8,781,934</u>	<u>(692,134)</u>	<u>650,852</u>	<u>-</u>	<u>25,321,495</u>
Total Restricted funds	<u>14,160,036</u>	<u>17,009,752</u>	<u>(10,658,133)</u>	<u>511,625</u>	<u>(774,000)</u>	<u>20,249,280</u>
Total funds	<u>15,202,873</u>	<u>17,676,648</u>	<u>(10,770,245)</u>	<u>-</u>	<u>(774,000)</u>	<u>21,335,276</u>

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

Restricted general funds

These funds relate to the Academy's development and operational activities.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Statement of funds (continued)

Restricted pension funds

These funds represent the LGPS obligation to the employees of the Academy Trust.

Restricted fixed asset fund

These funds relate to long term assets held by the Academy Trust and grants to purchase or maintain these assets.

Unrestricted funds

These funds relate to amounts generated or acquired with no restricted covenants attached to them other than for use within the charitable objects of the Academy.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Aveley Primary School	34,449	-
Benyon Primary School	30,619	35,974
Dilkes Primary Academy	357,571	1,074,572
Quarry Hill Academy	483,900	394,634
Somers Heath Primary School	418,219	344,074
Central funds	109,023	127,776
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,433,781	1,977,030
Restricted fixed asset fund	25,321,495	16,580,843
Pension reserve	(5,420,000)	(3,355,000)
	<hr/>	<hr/>
Total	21,335,276	15,202,873
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Aveley Primary School	980,154	186,930	38,871	204,375	1,410,330	-
Benyon Primary School	804,288	216,556	40,545	190,014	1,251,403	1,147,676
Dilkes Primary Academy	1,688,369	569,950	48,814	464,972	2,772,105	1,102,201
Quarry Hill Academy	1,490,788	543,071	61,504	324,166	2,419,529	2,515,888
Somers Heath Primary School	1,116,840	422,359	79,576	290,737	1,909,512	1,766,223
Central charges	136,016	109,729	-	69,487	315,232	215,697
Academy	6,216,455	2,048,595	269,310	1,543,751	10,078,111	6,747,685

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

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds					
General Funds - all funds	501,148	311,722	(71,802)	301,769	1,042,837
Funds on existing academy trf to trust	-	401,821	-	(401,821)	-
	<u>501,148</u>	<u>713,543</u>	<u>(71,802)</u>	<u>(100,052)</u>	<u>1,042,837</u>
Restricted general funds					
General annual grant (GAG)	347,294	4,700,310	(4,636,487)	(202,684)	208,433
Other DfE/ESFA grants	156,670	714,173	(788,102)	-	82,741
Local authority grants	15,393	693,492	(690,598)	(18,287)	-
Funds on existing academy trf into trust	-	833,448	-	(833,448)	-
Central fund	70,844	-	(215,696)	196,239	51,387
CIF revenue grant	-	-	-	591,632	591,632
Pension reserve	(2,277,000)	(1,341,000)	(345,000)	608,000	(3,355,000)
	<u>(1,686,799)</u>	<u>5,600,423</u>	<u>(6,675,883)</u>	<u>341,452</u>	<u>(2,420,807)</u>
Restricted fixed asset funds					
Purchased fixed assets	1,444,753	-	(118,533)	2,551,811	3,878,031
Inherited assets	9,029,073	-	(397,780)	2,466,563	11,097,856
Local authority gifted assets	1,207,329	-	(25,688)	-	1,181,641
Capital grants	-	1,188,419	-	(765,104)	423,315
Funds on existing academy trf into the trust	-	3,886,670	-	(3,886,670)	-
	<u>11,681,155</u>	<u>5,075,089</u>	<u>(542,001)</u>	<u>366,600</u>	<u>16,580,843</u>
Total Restricted funds	<u>9,994,356</u>	<u>10,675,512</u>	<u>(7,217,884)</u>	<u>708,052</u>	<u>14,160,036</u>
Total funds	<u><u>10,495,504</u></u>	<u><u>11,389,055</u></u>	<u><u>(7,289,686)</u></u>	<u><u>608,000</u></u>	<u><u>15,202,873</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Transfer of funds

Funds have been transferred in respect of the following;

£115,535 has been transferred from restricted funds to the restricted fixed asset funds for assets purchased from GAG, relating to all schools in the trust.

£1,263,066 has been transferred from EFA capital grants fund to the purchased assets fund representing capital grants spent.

£503,671 has been transferred from the unrestricted funds to the restricted fund to cover a deficit on this fund.

£6,856,271 has been transferred from the RFAF income transferred into trust on a newly converted Academy joining the trust to the inherited asset fund.

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	23,713,149	-	23,713,149
Current assets	1,052,296	1,677,544	1,222,726	3,952,566
Creditors due within one year	(704,511)	(14,573)	(136,730)	(855,814)
Creditors due in more than one year	-	(54,625)	-	(54,625)
Provisions for liabilities and charges	(5,420,000)	-	-	(5,420,000)
Total	(5,072,215)	25,321,495	1,085,996	21,335,276

Analysis of net assets between funds - prior year

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	16,157,526	-	16,157,526
Current assets	1,460,960	641,659	1,047,119	3,149,738
Creditors due within one year	(526,767)	(149,144)	(4,286)	(680,197)
Creditors due in more than one year	-	(69,198)	-	(69,198)
Provisions for liabilities and charges	(3,355,000)	-	-	(3,355,000)
Total	(2,420,807)	16,580,843	1,042,833	15,202,869

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	6,906,403	4,099,369
Adjustments for:		
Depreciation	692,134	542,001
Capital grants from DfE and other capital income	(1,245,351)	(1,188,419)
Interest receivable	(811)	(1,074)
Defined benefit pension scheme cost less contributions payable	436,000	275,000
Defined benefit pension scheme finance cost	95,000	70,000
Increase in debtors	(667,746)	(134,629)
Increase/(decrease) in creditors	161,047	(202,448)
Fixed asset transfer of existing academy into the multi academy trust	-	(3,914,597)
Fixed asset transfer on conversion	(6,856,271)	-
Defined benefit pension scheme transferred from existing academy into multi academy trust	-	1,341,000
Defined benefit pension scheme transferred on conversion	760,000	-
Net cash provided by operating activities	280,405	886,203

22. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	811	1,074
Purchase of intangible assets	(1,391,486)	(1,109,115)
Capital grants from DfE Group	1,245,351	1,188,419
Net cash (used in)/provided by investing activities	(145,324)	80,378

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,877,966	2,742,885
Total cash and cash equivalents	2,877,966	2,742,885

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Conversion to an academy trust

On 1 February 2019 Aveley Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Catalyst Academies Trust from Thurrock Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	6,844,090	6,844,090
Other tangible fixed assets	-	-	12,181	12,181
Current assets				
Cash - representing budget surplus on LA funds	127,376	-	-	127,376
Pension deficit	-	(760,000)	-	(760,000)
Net assets/(liabilities)	<u>127,376</u>	<u>(760,000)</u>	<u>6,856,271</u>	<u>6,223,647</u>

25. Pension commitments

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

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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.

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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%.

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £516,235 (2018 - £346,807).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 £626,000 (2018 - £384,000), of which employer's contributions totalled £496,000 (2018 - £384,000) and employees' contributions totalled £ 130,000 (2018 - £82,000). The expected contribution rates for future years are 22.2 per cent for employers and 5.5-12.5 per cent for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.71	3.80
Rate of increase for pensions in payment/inflation	2.21	3.30
Discount rate for scheme liabilities	1.87	2.64
Inflation assumption (CPI)	2.21	2.30
RPI increases	3.21	3.30

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	240	153
Discount rate -0.1%	(246)	(156)
Mortality assumption - 1 year increase	(376)	(208)
Mortality assumption - 1 year decrease	361	202
Salary increases +0.1%	(24)	(15)
Salary increases -0.1%	24	15

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,879,000	1,876,000
Gilts	252,000	157,000
Corporate bonds	257,000	176,000
Property	366,000	263,000
Cash and other liquid assets	133,000	101,000
Alternative assets and other managed funds	684,000	377,000
Total market value of assets	4,571,000	2,950,000

The actual return on scheme assets was £360,000 (2018 - £159,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(832,000)	(577,000)
Past service cost	(100,000)	-
Interest cost	(95,000)	(70,000)
Total amount recognised in the Statement of financial activities	(1,027,000)	(647,000)

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

	2019 £	2018 £
At 1 September	6,302,000	3,748,000
Conversion of academy trusts	1,472,000	-
Transferred in on existing academies joining the trust	-	2,316,000
Current service cost	832,000	577,000
Interest cost	191,000	123,000
Employee contributions	130,000	82,000
Actuarial losses/(gains)	1,017,000	(502,000)
Benefits paid	(53,000)	(42,000)
Past service costs	100,000	-
At 31 August	9,991,000	6,302,000

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	2,947,000	1,471,000
Conversion of academy trusts	712,000	-
Transferred in on existing academies joining the trust	-	975,000
Interest income	96,000	53,000
Actuarial gains	243,000	106,000
Employer contributions	496,000	302,000
Employee contributions	130,000	82,000
Benefits paid	(53,000)	(42,000)
At 31 August	4,571,000	2,947,000

Impact of the McCloud/Sargeant judgement on the Local Government Pension Scheme

An allowance has been made for the recent Court of Appeal judgement in relation to the McCloud & Sargeant cases which relate to age discrimination within the Judicial & Fire Pension schemes respectively. On 27 June 2019 the Supreme Court denied the Government's request for an appeal, and on 15 July 2019 the Government released a statement to confirm that it expects to have to amend all public service schemes, including the LGPS.

The estimated impact on the total liabilities at 31 August 2019 has been allowed for as a past service cost and has resulted in a slight increase in the defined benefit obligation as at 31 August 2019. This adjustment is an estimate of the potential impact on the Trust's defined benefit obligation as provided by the scheme's actuary. The Actuary's assessment is based on analysis carried out by the Government Actuary's Department (GAD) and the Trust's liability profile.

The GAD assessment is based on a "worst-case" scenario whereby this case impacts on all active members in the scheme as at 31 March 2019. It is the view of the Trustees and their actuary that this is not a realistic estimate. The actuary has therefore adjusted their estimate to only include members who were active at 31 March 2012.

26. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	11,981	7,860
Later than 1 year and not later than 5 years	7,455	10,989
	19,436	18,849

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. Members' liability

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

28. Related party transactions

Owing to the nature of the academy's operations 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 a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Mrs A Parfett, wife of T Parfett (Chief Executive Officer), was employed by Dilkes Academy and received remuneration of £32,623.

Mrs N Walters, wife of D Walters (Member and Trustee), was employed by Dilkes Academy and received remuneration of £10,592.

The trust made the appointments at arms' length following an open interview process in accordance with its financial regulations, which neither officer participated in, nor influenced.

In entering into the above transactions the trust has complied with the requirements of ESFA's Academies Financial Handbook.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

29. Controlling party

There is no ultimate controlling party.