

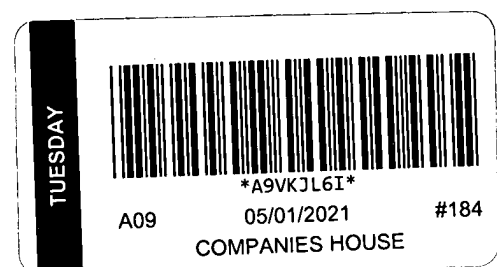
Registration number: 09203984

NICHOLAS POSTGATE CATHOLIC ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



Nicholas Postgate Catholic Academy Trust

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Nicholas Postgate Catholic Academy Trust

Reference and Administrative Details

Members	G Robinson G Dasey K Duffy (resigned 29 January 2020) N Mack T P Drainey P Warren (appointed 29 January 2020)
Trustees (Directors)	J W Brown K Duffy H M Hegarty J Hughes (Chair) N Mack M McCullagh Rev D L Turnham J A Walton J Wilson
Company Secretary	Prima Secretary Limited
Senior Management Team	H Hegarty, Chief Executive Officer (ELT) J Farquhar, Chief Operating Officer (ELT) A White, Senior Standards Officer (ELT) L Marron, Head of Finance (ELT) K Clarke, Head of HR (ELT) N Jamalizadeh, Senior Standards Officer (ELT) J O'Boyle, Standards Officer (ELT) A Toward, Head Teacher S Geaves, Head Teacher C Ruddy, Head Teacher (resigned 31 August 2020) K Sill, Head Teacher E King, Head Teacher C Baker, Head Teacher J Apolloni, Head Teacher M Macaulay, Head Teacher C L Stott, Head Teacher P Gair, Head Teacher (resigned 31 August 2020) M Brown, Head Teacher N Skerry, Acting Head Teacher (resigned 31 August 2020) M J Ryan, Executive Head Teacher L Dwyer, Head Teacher C Walker, Executive Head Teacher A McCann, Head Teacher L Eddies, Head Teacher J Wilson, Head Teacher (resigned 1 September 2020) C McNicholas, Head Teacher L Phelps, Head Teacher J Bowen, Head Teacher (resigned 4 November 2019) P Conway, Head Teacher M Burns, Head Teacher Dr P Caldwell, Head Teacher

Nicholas Postgate Catholic Academy Trust

Reference and Administrative Details (continued)

Principal and Registered Office	Postgate House Trinity Catholic College Saltersgill Avenue Middlesbrough TS4 3JW
Company Name	Nicholas Postgate Catholic Academy Trust
Company Registration Number	09203984
Auditors	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank plc 83-85 Linthorpe Road Middlesbrough TS1 5BU
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020

The Trustees, also referred to as the Company's Directors, present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' (or Members) report, and a Trustees' report under company law.

Following a review of educational structures in the northern part of the Diocese of Middlesbrough, on 1 September 2018 three existing multi-academy Trusts and one maintained local authority school were merged into the Nicholas Postgate Academy Trust of five schools to form the new The Nicholas Postgate Catholic Academy Trust.

At its inception the Trust operated 21 primary academy schools and 4 secondary academy schools for pupils aged 3 to 19 across Middlesbrough, Stockton and Redcar & Cleveland, including all Catholic Diocesan schools in these catchment areas. Following the approval by the Regional Schools Commissioner during 2018/19 of the Trust as a primary sponsor our twenty-sixth school, All Saints RC Primary School in Thirsk in North Yorkshire, joined the Trust on 1 June 2019.

The Trust had a pupil capacity, excluding nursery provision, of 8,609 and had a roll of 8,030 in the school census in October 2019. The roll increases to 8,666 with the inclusion of nursery pupils.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Nicholas Postgate Catholic Academy Trust are also the Trustees of the charitable company for the purposes of company law. The charitable company is known as Nicholas Postgate Catholic Academy Trust.

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

Members' Liability

Each Member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one period 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.

Members' Indemnities

24 of the 26 schools within the Trust are members of the government's Risk Protection Arrangement (RPA) scheme which includes protection for Trustees from claims arising from negligent acts, errors or omissions occurring whilst undertaking trust business. Our 2 PFI schools are insured through an external commercial insurance provider.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in relation to the type of trusteeship held and as follows:

- Under Article 50 the Diocesan Bishop shall appoint such number of Foundation Trustees to ensure that at all times the number of Foundation Trustees exceeds the other Trustees (including any Co-opted Trustees) by at least two.
- Subject to Article 50 the Trustees shall appoint the Chief Executive Officer (CEO) to be a Trustee providing that the total number of Trustees who are employees does not exceed one third of the total number of Trustees
- In any circumstances where the Secretary of State for Education is entitled to serve a warning notice under the relevant funding agreement, or in the opinion of the Diocesan Bishop standards or the Catholic Life of the school have fallen unacceptably low, then the Diocesan Bishop may stipulate that the Diocesan Director of Schools shall be appointed as a Trustee, for the term as the Diocesan Bishop shall provide. The current Diocesan Director of Schools has been appointed as a Trustee in this initial period of the Trust's formation and development.

The term of office for any Trustee shall be 4 years or a shorter period, if specified at the time of appointment by the person or body appointing. This time limit does not apply to the Co-opted Trustees or any post which is held ex-officio. Co-opted Trustees are appointed for a period of one year. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees depends on their existing experience and an analysis of their own respective skills. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents as required to undertake their role as Trustees.

The Company has appointed an in-house governance team with external strategic support in addition delivered from Avec Partnership during 2019/20. The Trust has adopted a Code of Conduct to support the development of Trustees. Specific CPD has also been made available in respect of understanding the role of a Trustee in a charity and requirements for compliance with the Academies Financial Handbook.

During 2020/21 the Trust has plans to deliver focused and tailored CPD to each Trustee based on updated individual action plans and a collective skills analysis. We will also evaluate Trustee LINK area roles to support those at a Local Governing Body level.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Organisational Structure

The Trust comprises 22 primary schools and 4 secondary schools, one with a 6th form provision. Our 27th school, St. Hedda's Catholic Primary School, joined the Trust after this reporting period on 1st September 2020. The Trust's Board is responsible for the strategic direction of the Trust and has overall responsibility for academic standards, financial management, assets and other resources of the Trust. The Board is supported by 3 committees which are:

- Catholic Life & Standards
- Finance & Resources
- Audit & Risk

The Trust is the admissions authority and employer for all schools. Strategic leadership is provided by the Trusts' Executive Leadership Team, supported by individual head teachers. The Accounting Officer is the Chief Executive Officer of the Trust, Mr Hugh Hegarty.

Delegated authority and powers of decision making in relation to the Board and its committees, including each school's own Local Governing Body, are defined in the Trust's Scheme of Delegation which was approved by Trustees at its Shadow Board meeting on 16th July 2018. The Scheme of Delegation determines what responsibility resides at both individual school and Trust level and has been reviewed continuously during our first 2 years of operating.

The Trust has employed standards' leads for primary, secondary and behaviour and welfare who provide support to all of the Trust's schools based on a detailed risk assessment model set out in the Trust's School Improvement Framework.

All school teaching and teaching support staffing appointments are made at a Local Governing Body level with the exception of reserved posts, including both Heads and Deputy Head Teachers, which are appointed by a panel established by the Trustees and with an advisory role played by the Diocesan Schools Service.

Following the formation of the Trust a full review of administrative structures was undertaken during 2018/19 with all administrative and business support appointments being the responsibility of the Trust with input from schools as required. The Trust operates a single bank account and accounting systems and has one set of standardised Financial Regulations and Procedures across all of its schools.

During 2019/20 the Trust has continued to develop a number of centrally approved policies covering all of the statutory areas, ensuring they comply with guidance from both the DfE, the Catholic Education Service and Middlesbrough Diocesan protocols.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel defines those persons of the Trust having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly and including all Trustees. Trustees who are not employees of the Trust receive no remuneration for the roles they undertake. The Trust's key management personnel are therefore defined to be the members of the Trust's Executive Leadership Team and the Head Teachers of individual schools within the Trust.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Trust based executive posts, including the Chief Executive Officer, have their pay set in line with the Trust's Executive Pay and Appraisal Policy with progression based on a recommendation to the Trust's Finance & Resources Committee. For the positions of Chief Executive Officer and Chief Operating Officer external independent input is obtained to support any progression decisions by the Trust.

Head Teachers have their pay set in line with the Trust's Pay Policy which is reviewed annually and set in accordance with the School Teacher's Pay and Conditions Guidance. A recommendation is made from the Office of the Chief Executive, through the work of the Senior Standards Officers, for consideration by the Trust's Finance & Resources Committee in respect of pay progression for each respective Head Teacher.

In the case of an appeal by any of the Trust's key management personnel a separate panel of Trustees who are not members of the Finance & Resources Committee would be convened.

Head Teachers organise the performance management arrangements for all staff within each school and the objectives of staff are layered to reflect key priorities for the period both at a school and Trust level. This ensures performance of staff is linked to improvements identified by the Trust's Standards team and Head Teachers collectively and are in support of the Trust's overall vision and strategic priorities.

Trade union facility time

No Trust employee time has been spent on trade union activities in 2019/20.

Related Parties and Other Connected Charities and Organisations

The Trust is part of the Diocese of Middlesbrough and works alongside the Diocesan Education Office and is developing close links with the other 2 Trusts that are part of the Diocese of Middlesbrough. The Trust has no connected organisations but does work with local charities in pursuit of the activities defined by the objects of the Trust.

Engagement with Employees and Equalities

During 2019/20 the Trust has engaged with its employees through a broad variety of mechanisms to ensure they are fully aware and consulted on any matters affecting them. The Trust has an established framework in place for consultation and discussion with trade unions, with positive working relationships maintained during the year. This forum has dealt with policy development, HR related issues and has also included issues raised directly by our employees specific to their own school or workplace.

The Trust's common websites and e-mail communication platform significantly supports our ability to communicate with employees on a timely basis. This has been supported by a termly Trust magazine, regular newsletters, CEO updates and the effective use of social media platforms throughout the year.

The Trust communicates key decisions immediately after each Board meeting via the Head Teacher and Trust Business Manager forums which allows for updates to staff via each academy's regular leadership team meetings. Each Local Governing Body also communicates a summary sheet of "key issues" they wish the Trust to be aware of following each meeting. Moving into future periods and new arrangements the Trust will explore additional and innovative ways of communicating with its employees including the use of an overall staff feedback survey.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

On 18th September 2018 the Trust agreed its Equality Statement and Objectives in order to discharge its responsibilities under the Equality Act 2010 and to meet the Public Sector Equality Duty. The sets out our Trust's commitment to ban unfair treatment and achieve equal opportunities in the classroom, the workplace and in wider society and to embed equality considerations in day to day practice.

The duty to have "due regard" to equality considerations means that whenever significant decisions are being made or policies developed, thought will be given to the equality implications. Our policy sets out that as an employer, "the Trust will not discriminate against a potential employee in respect of whether to offer a job or the terms on which a position is offered and must not discriminate against an existing employee in respect of the benefits, facilities and services offered to employees, including training opportunities, promotion or dismissal".

All our schools are required to prepare and publish specific and measurable objectives to demonstrate how the Trust's Equality Objectives are being met. This includes the objective to continue to address workforce-based equality issues by conforming to agreed Human Resource procedures on appointments, promotions and other employment issues, but always appointing the best candidate.

Engagement with suppliers, customers and others in a business relationship with the trust

The Trust is a significant contributor to engagement with the DfE and ESFA through a variety of established mechanisms which include regional CEO and CFO forums. Our Trust also has an agreed communication protocol in place with the 4 local authorities we operate across. Meaningful parental engagement is undertaken on a continuous basis both at an individual school level and led by the Trust to ensure key messages are both timely and accurate and to ensure the voices and opinions of our parents and pupils are accounted for when agreeing our strategic priorities.

With the centralisation during 2019/20 of our Exchequer functions engagement with our suppliers is led primarily by the Trust team. This has included correspondence setting out key contacts for raising creditor payment queries and direct meetings from April 2020 in respect of supporting key "at risk" suppliers during the national Covid-19 lockdown in line with the government's PPN 02/20 and 04/20 notices. During 2020/21 we have made plans for a Local Supplier Conference to help these businesses understand how to do business with our Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Our vision is for a caring Trust dedicated to academic excellence and the spiritual and moral development of our pupils. We are a faith-based community that plays a positive role in the life of all local parishes. We are a spiritually-centred community, living the Catholic faith as expressed through worship and service.

We will create an environment that ensures the best use of all our facilities in a positive atmosphere which reflects and supports family values.

We will endeavour to create modern facilities in order to offer the best educational experience for our pupils. We will encourage the support of our alumni, who value our strong commitment to academic excellence and spiritual formation.

Our Trust envisages learning taking place in communities inspired by the Spirit of Christ, where Christ's commandment to love God and neighbour inspires a caring ethos which is expressed in relationships within and beyond our schools. All our schools promote the dignity, self-esteem and full development of every person, who is each made in God's image and uniquely loved by him.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

All our schools are inclusive and are respectful of and engage with people of all beliefs. Within our schools we have a culture of tolerance where people of diverse identities are recognised, welcomed, respected and cherished.

We seek to make a difference to all groups of children, especially ensuring the most vulnerable in our society are not disadvantaged. Our schools work in partnership with families and parishes to promote strong, positive links. Every school in the Trust is on a journey of continual improvement, aspiring for year-on-year excellence.

To help deliver this vision the Trust's Board approved a new Strategic Plan during the year which will drive the Trust forward to 2023. This is set around 5 key objectives as follows:-

1. **Promote Catholic Values** - All pupils supported through faith formation.
2. **Build a Strong Infrastructure** - Having the capacity to fulfil all mandatory obligations and lead schools effectively and efficiently.
3. **Raise Attainment and Improve Progression** - Ensuring all schools deliver valid and consistent assessment approaches allied to effective and ongoing tracking and appropriate interventions, enabling pupils to maximise achievement.
4. **Support Excellent Standards in Teaching and Learning** - Improving the quality of provision from all our schools.
5. **Strong Leadership and Governance** - Providing outstanding governance and executive leadership with clear succession planning.

The overarching principle of our School Improvement Strategy, delivered through the Trust's School Improvement Framework, is that every school in the Trust is to be at least a "Good" school and if not already "Outstanding", to be working towards that goal.

Our aim is to ensure we have sustained improvement in outcomes for all pupils. At the heart of our strategy is the Trust supporting all schools in their commitment to provide:

- High-quality teaching.
- Robust and verifiable self-assessment.
- Effective leadership and governance.
- High-quality professional development for staff, enabling sustained and continual improvement and developing a workforce that is in line with future succession planning needs and talent management policies.
- Opportunities for the identification and dissemination of effective practice and engagement in research and development opportunities, including teacher inquiry.
- High-quality Initial Teacher Training in order to enable a highly skilled supply of future teachers and leaders.
- Safe schools with fair access.
- Affordability and value for money.

In accordance with the Articles of Association the Trust has adopted a "Scheme of Delegation" which specifies, amongst other things, composition and appointment to Local Governing Bodies and the functions delegated to these bodies.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

The Trust's School Improvement Framework ensures that at the heart of our strategy there is a commitment that well informed and knowledgeable governors work with all our schools and support them to be effective and self-improving. Local governors play a crucial role within our approach to school improvement by ensuring that school leaders are effectively challenged and supported to ensure the highest quality of education for our pupils. The Trust's Link Governance Framework identifies 10 key areas that our governors monitor within schools. Insightful governance ensures the appropriate challenge and support is given to our schools. This framework also provides clarity for all local governors on their role under the Trust's Scheme of Delegation.

Each academy has its own development plan and this through the Trust's School Improvement Framework, together with the Trust's Medium Term Financial Strategy, links into the delivery of Trust's overall Strategic Plan.

The Trust is committed to developing Trust wide policies and procedures where appropriate to do so in support of the effective operations in line with the Scheme of Delegation and uses the Catholic Education Services' HR documentation for contracts of employment.

The Trust's Executive Leadership Team meets fortnightly and reviews progress against the Strategic Plan. The Head Teacher Forum meets every month to discuss ongoing operational and strategic matters that support the objectives in the Trust's Strategic Plan, with reports on academic performance and the financial position of the Trust being reported to the Trust's Board and its sub-committees.

Public Benefit

The Trust's aims and achievements are set out within this report and have been undertaken to further the charitable purposes for the public benefit, including the provision of state funded education. The Trustees have complied with the duty under section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Trustees have considered this guidance in deciding what activities the Trust should undertake and consider its aims are demonstrably for the public benefit. Individual schools within the Trust contribute directly to their own community through initiatives such as the letting out of premises to community groups and working within their local parishes to develop community involvement in each academy and the church.

STRATEGIC REPORT

Achievements and Performance

The year has been a challenging period in terms of dealing with the consequences of the Covid-19 pandemic while working at pace to deliver our strategic priorities. Inevitably the impact of Covid-19 has been significant for our Trust and yet we have strived to keep our schools open at all times, whilst also acting as a hub within the community to support our families who are most in need.

Our other key achievements against the Trust's stated objectives during 2019/20 also include:

- The development and launch of Trust wide Parish Engagement and Chaplaincy strategies
- A wide ranging and high quality CPD programme delivered; focused at all staff and levels within the Trust
- Development and enhancement to both our primary and secondary standards team capacity to further improve our offer and support to schools
- Delivery of a Trust procurement strategy with a significant reduction in reserves deployed to balance the 20/21 annual budget

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

- Implementation of a Trust wide approach to support our most vulnerable learners
- Continued embedding of our School Improvement Framework, linked to tiered support programmes and curriculum reviews
- The delivery of further improvements in our provisions for attendance management and careers guidance support
- The implementation of our virtual learning platform which has proved fundamental in ensuring continued access to education during periods of lockdown or self-isolation
- The implementation of our Trust wide and cloud based HR system, bringing together in one place for the first time access to key employee information
- The launch of our Trust wide LGB LINK Governor Framework with associated CPD to deliver valued improvements to our schools at the local governance level, in parallel with a consistent Head Teacher reporting and agenda setting framework
- Further improvements in communication protocols to highlight across our communities the work of the Trust and its constituent schools
- The launch of our Trust wide Sports Partnership that has begun to transform our PE provision and enable our schools to offer the richest and most varied extracurricular programme possible
- The delivery of continued capital and condition improvements to our estate through a £1.5m annual investment plan

Key Performance Indicators

As part of steps taken to fight the spread of Covid-19, the government announced that all exams due to take place in schools and colleges in England in summer 2020 were cancelled.

KS2 assessments in our primary schools did therefore not go ahead and as such the table below reflects the 2019 results, for the previous year, that highlighted our Trust as the sixth best performing MAT in the country overall.

In our secondary schools the government based results on centre assessment grades (CAGs), which are the grades our schools and colleges assessed students were most likely to have achieved, had exams gone ahead and these are included in the second table below.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Primary Schools	Current Ofsted Report	S.48 Rating	Attendance %	KS2 READING, WRITING & MATHS COMBINED EXS+ (%)	KS2 SPaG EXS+ (%)
All Saints	Inadequate	Requires Improvement	93.33	40	100
Christ the King	Good	Outstanding	95.23	81	91.5
Corpus Christi	Good	Good	94.53	52	58.6
Sacred Heart	Good	Good	95.89	69	75
St. Alphonsus'	Good	Good	94.05	42	64
St. Augustine's	Good	Outstanding	95.92	89	100
St. Bede's	Requires Improvement	Outstanding	96.84	59	82.8
St. Benedict's	Good	Outstanding	96.39	84	87.3
St. Bernadette's	Good	Outstanding	95.93	82	96.4
St. Clare's	Good	Outstanding	96.47	79	93.1
St. Edward's	Outstanding	Outstanding	97.03	96	100
St. Gabriel's	Good	Outstanding	95.77	30	60
St. Gerard's	Good	Good	94.60	62	76.2

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

St. Joseph's, Middlesbrough	Good	Outstanding	95.72	73	87.8
St. Joseph's, Lofius	Outstanding	Good	96.82	72	100
St. Margaret Clitherow	Good	Outstanding	96.00	72	87.5
St. Mary's	Outstanding	Good	95.58	86	96.4
St. Patrick's	Outstanding	Outstanding	96.01	72	87.7
St. Paulinus	Good	Good	97.26	100	100
St. Pius X	Good	Outstanding	94.68	57	65.2
St. Therese of Lisieux	Outstanding	Outstanding	96.36	90	96.7
St. Thomas More	Good	Good	95.04	81	93.8

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

<u>St Patrick's Catholic College</u>	
OFSTED Rating	Inadequate
S.48 Rating	Outstanding
Attainment 4+ English & Maths	59%
Attainment 5+ English & Maths	41%
Progress 8	-0.24
Attendance	91.53
<u>St. Peter's Catholic College</u>	
OFSTED Rating	Requires Improvement
S.48 Rating	Requires Improvement
Attainment 4+ English & Maths	60%
Attainment 5+ English & Maths	45%
Progress 8	-0.39
Attendance	92.57
<u>Sacred Heart Secondary School</u>	
OFSTED Rating	Requires Improvement
S.48 Rating	Outstanding
Attainment 4+ English & Maths	72%
Attainment 5+ English & Maths	53%
Progress 8	-0.38
Attendance	93.35
<u>Trinity Catholic College</u>	
OFSTED Rating	Requires Improvement
S.48 Rating	Good
Attainment 4+ English & Maths	63%
Attainment 5+ English & Maths	44%
Progress 8	-0.34
Attendance	90.21

Key

SPaG – Spelling, Punctuation & Grammar

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

EXS+ - Pupils working at the expected standard or above

Going Concern

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

Promoting the success of the company

The Board of Trustees seeks to embed a culture within the Trust of the highest standards of conduct that matches our strategic objectives and in doing so delivers benefits to all our stakeholders including our members, employees and the local communities and families that we serve.

Decisions taken by the Board of Trustees will consider any impact over the longer term with reference to each of these stakeholder groups and the need to act fairly and with integrity at all times. As an example this will extend to ensuring we act as a caring employer and maintain effective working relationships with key suppliers who work with the Trust. We will also evaluate the impact of our operations on the environment and seek to lead by example in reducing our carbon footprint. By acting in this way we will ensure the success of Nicholas Postgate Catholic Academy Trust is promoted throughout our communities who will also then share in our success.

FINANCIAL REVIEW

The majority of the Trusts' income for the period of account is obtained from either the ESFA (Education & Skills Funding Agency) or Local Authorities as commissioners of pupil places, the use of which is restricted to particular purposes. The grants and funding received from these bodies for the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ending 31 August 2020 total expenditure of £52,774,000 (excluding net inherited liabilities) was more than covered by grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The excess of income over expenditure for the period (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £348,000.

At 31 August 2020 the net book value of fixed assets was £8,768,000. The assets were used exclusively for providing education and associated support to the pupils in the schools within the Trust.

The Trust occupies land, including buildings, which are owned by its Members; the Diocese of Middlesbrough. The Members are the providers of the schools on the same basis as when they were maintained schools. The Trust therefore occupies the land and buildings under a licence. The continuing permission of the Members is pursuant to, and subject to, the Members' charitable objectives and is part of the Catholic Church's contribution since 1847 to provide state funded education in partnership with the state. The licence delegates aspects of the management of the land and buildings to the Trust, but does not vest any rights over in the land in the Trust. The Members have given an undertaking to the Secretary of State for Education that they will not give the Trust less than two years notice to terminate the occupation of the land and buildings. Having therefore considered the basis of which the Trust is occupying the land and buildings the Trustees have concluded that the value of these land and buildings will not be recognised on the Trust's balance sheet.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Six of the schools within the Trust have loan balances owing to the Diocese of Middlesbrough. These liabilities were entered into prior to the incorporation of the Trust as local authority maintained schools and were for the purpose of capital investment in the condition of the assets. The total principal outstanding on these loans as at 31 August 2020 was £248,051.

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted Fund. This resulted in the pension fund showing a deficit of £22,795,000 which has been carried forward to 2019/20. It should be noted that this does not present a liquidity problem for the Trust and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future periods.

Reserves Policy

The Trust holds both restricted and restricted funds which are detailed in the financial statements. Unrestricted funds are held:

- To provide funds which can be designated to specific areas to meet the wider charitable objectives of the Trust
- To cover ongoing costs in relation to the running of the Trust's schools

The level of reserves was reviewed by the Trustees regularly throughout the period and the minimum level of reserves for the ongoing needs of the academy is reviewed by Trustees on at least an annual basis and is set out in the Trust's Financial Reserves Policy. This review encompasses the nature of income and expenditure streams, the need to match income with spending commitments and the nature of the reserves held. In reviewing the sufficient level of reserves required during 2019/20 the Trustees decided to use the recommended measure from the DfE based on an amount equivalent to one month's worth of salary expenditure. This was considered sufficient to mitigate financial management risks such as a falling roll and capital investment requirements. The overall minimum level on this basis has therefore been set at £3.1m.

The Trust returned an in year deficit of £6,938,000, which resulted in closing revenue reserves totalling £5,262,000 (comprising £nil of restricted general reserves (excluding pension and fixed assets) and £5,262,000 of "free" or unrestricted reserves) and are therefore considered more than sufficient for the ongoing needs of the Trust.

The importance of reserves is recognised for the sustainability of the Trust's operations and its capacity to deal with unforeseen events. Ongoing reviews of the strategic risks that the Trust faces will help in informing the level of reserves required going forward.

Funds are accounted for centrally and managed by the Trust's Directors for the benefit of all schools within the Trust and in line with the Trust's Policy on Financial Reserves. This allows for the Trust to support individual schools and wider overarching strategic priorities by deploying funds in a flexible manner based on an ongoing assessment of needs and risks.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Investment Policy

The Trust has a Treasury Management and Investment Policy which allows for the investment of surplus funds in term deposits with the Trust's banker or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority. The Board reviewed this policy during in December 2019 taking a prudent view that investments would be placed only with the Trust's current banker (or with another UK institution regulated by the Financial Conduct Authority or the Prudential Regulation Authority and with a credit rating of at least equal to the Trust's banker) and for a period of no longer than 12 months dependent on cash flow projections and likely levels of reserves. This has generated an additional income stream, while allowing the Trust to be mindful of both liquidity and counter party risks.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Trust are recorded and monitored on an operational basis in each school's operational risk register which link into the Trust's overall strategic risk register. A further in depth risk assessment is undertaken as part of the Trust's tier placement system under its School Improvement Framework. This work is overseen by the Trustees in line with the Trust's Risk Management Policy.

Principal financial risks are centred on changes in the level of funding from the ESFA, the need for significant capital investment in the Trust's estate and the continued membership of the Local Government Pension Scheme which results in the recognition of a significant deficit on the Trust's balance sheet. Trustees have implemented a number of controls to ensure financial risks are well managed including the provision of insurance cover where residual risks remain.

The principal non-financial risks that the Trust faces are focused around ensuring effective governance and leadership to drive up and maintain academic standards, managing attendance and behaviour of pupils and ensuring that safeguarding systems for the protection and well-being of the Trust's pupils are continuously effective.

Trustees have implemented a number of systems to assess and manage risks particularly in operational areas and these include the use of external health and safety consultants, robust safeguarding policies and procedures and ongoing CPD and training for all employees.

In addition the Trust has fully implemented the requirements of the Safer Recruitment procedures and all relevant staff have received training in this area.

Fundraising

Our Trust's approach to fundraising is driven by our individual schools as we firmly believe they know their local communities the best. PTA organisations are locally based and subject to separate governance instruments. At the current time we do not work with any professional fund raisers or commercial parties to seek additional funds for the Trust with the exception of well publicised and school specific grants for areas such as breakfast clubs. We do however actively seek out external grants with partner organisations for specific areas such as staff development and these are governed by individual funding agreements.

All fundraising activity is covered by existing procedures including our Complaints and Whistleblowing policies and this ensures our approach is transparent and ethical at all times.

During 2020/21 we aim to agree an overarching Trust Fundraising Strategy which will include the development of a Trust alumni.

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Streamlined Energy and Carbon Reporting

As our Trust is a large company, as determined by sections 465 and 466 of the Companies Act 2006 and consumes more than 40,000 KWh of energy (in the UK) in a reporting period, we must now disclose certain information around our energy use and carbon footprint. The Trust's energy usage and methodology for the period is reported for the first time as set out below:

Energy Source	Consumption	Scope	Emissions Calculation
<u>Gas</u> Total KWh used for the year taken from gas bills from each premises within the Trust.	7,111,772 KWh	One	Total KWh * 0.18387 = KgCO ₂ e 7,111,772 * 0.18387 = 1307641.52 1307641.52 / 1000 = 1307.65 1307.65 tCO ₂ e
<u>Electrical</u> Total KWh used for the year taken from electricity bills from each premises within the Trust.	2,583,907 KWh	Two	Total KWh * 0.23314 = kgCO ₂ e 2,583,907 * 0.23314 = 602,412.08 602412.08 / 1000 = 602.42 602.42 tCO ₂ e
<u>Transport - Minibus Millage</u> Total 24,520 Miles	29,293.06 KWh	One	Total Miles * 1.19466 = KWh 24520 * 1.19466 = 29,293.06 24520 Miles = 39461 KM 39461 * 0.18900 = 7458.13 KgCO ₂ e 7458.13 / 1000 = 7.46 7.46 tCO ₂ e
<u>Transport – Staff Millage</u> 37,560 Reimbursement Miles	61,294.16 KWh	Three	Total Miles * 1.6319 = KWh 37560 * 1.6319 = 61,294.16 37560 * 0.28052 = 10,536.33 KgCO ₂ e 10536.33 / 1000 = 10.54 10.54 tCO ₂ e
Total	9,786,266.22KWh		1928.07 tCO₂e
Intensity Ratio	Emissions data compared with total Trust pupil numbers		Total tCO ₂ e / Total number of pupils 1928.07 / 8,666 = 0.224 0.22 tCO₂e per pupil

The Trust is developing an energy management strategy, linked to our review of Estates & Facilities management to allow us to reduce our carbon footprint over the medium term. To support this we are bidding for decarbonisation funding from the government to pump prime this approach. We are also assessing initiatives to encourage employees to switch to electric and ultra-low emission vehicles.

Plans for Future Periods

The Trust has updated its Strategic Plan for 2020 to 2023 to enable the successes of our first 2 years to be taken forward and built upon significantly. Key areas of focus for the forthcoming year are as follows:-

Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

- Ensuring continued improvement in our secondary schools and sixth form through a review of current structures, catholic life provision, ensuring a consistent approach to pupil tracking systems, curriculum re-design and a strong focus on student behaviour
- To continue with our overall strategy of working towards every school in our Trust to be at least "Good" or working towards "Outstanding" in OFSTED terms through high quality teaching and effective leadership.
- To continue with the roll out of our exciting LINK governor framework to ensure our local governors have the relevant depth of knowledge to fulfil their roles effectively and in order to contribute fully towards school improvement
- The development of an income generation and fundraising strategy for the Trust
- Embedding our extra-curricular opportunities through the our Trust Sports Partnership and Student Enrichment programme
- Undertaking a full review of SEND provision across the Trust, with alternative and more effective working models to support our most vulnerable pupils and families
- To further develop our data management strategy through the rationalisation and improved utilisation of management information systems and the development of further power-bi generated team reporting dashboards
- A continued focus on ensuring engagement with pupils, parents, staff, governors and other stakeholders is both timely and effective through a clear communications strategy
- To undertake a Trust wide review of estates and facilities management, linked to the implementation of our compliance system to deliver VFM and premises that are safe and enriching for all
- To continue to embed strong and effective financial management and the next phase of our Trust wide procurement strategy to deliver higher quality services at a reduced or comparable cost. This will include our first supplier days, highlighting "How to do Business with NPCAT".

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

There are no funds held as Custodian Trustee on behalf of others.

Auditor

Insofar as the trustees are aware:

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

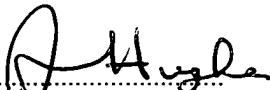
Nicholas Postgate Catholic Academy Trust

Trustees Report for the Year Ended 31 August 2020 (continued)

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report , incorporating a Strategic Report, was approved by order of the members of the Board of Directors on 15 - Dec - 20 and signed on its behalf by:


.....
J Hughes (Chair)
Trustee

Nicholas Postgate Catholic Academy Trust

Governance Statement

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Nicholas Postgate Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings Attended	Out of a Possible
Maureen McCullagh	5	6
Kevin Duffy	3	6
Canon Turnham	5	6
Joe Hughes	6	6
Josie Wilson	5	6
John Walton	4	6
Nick Mack	1	6
Jamie Brown	4	6
Hugh Hegarty	6	6

The Finance and Resources and Audit & Risk Committees are 2 of the 3 sub-committees of the Board of Trustees and their purpose is to support the main board in ensuring strong financial and risk management systems operate across the Trust and to also have oversight of health and safety issues. Their remits include:

- Overseeing compliance with the Academies Financial Handbook;
- Reviewing and monitoring budgets and the Trust's Medium Term Financial Strategy;
- Consideration of capital investment priorities;
- Reviewing the financial policies of the Trust;
- Overseeing the effective implementation of any audit recommendations;
- Reviewing insurance cover; and
- Ensuring the Trust achieves value for money and demonstrates regularity and propriety.

Nicholas Postgate Catholic Academy Trust

Governance Statement (continued)

In this accounting period the Finance and Resources Committee and Audit & Risk Committee has met 5 times and monitored the financial position of the Trust, received assurance reports from the Trust's internal assurance provider, reviewed annual budgets and recommended these to the Board, overseen the awarding of any contracts with a value greater than £75,000 and reviewed the first iterations of the Trust's strategic risk register. The Trust's Accounting Officer, Chief Operating Officer and Head of Finance attend all meetings and in addition Mr John Walton, Trustee, is a chartered accountant.

Trustee	Meetings Attended	Out of a Possible
Joe Hughes	5	5
Hugh Hegarty	5	5
James Brown	5	5
John Walton	2	5
Nick Mack	2	5

Trustees have reviewed the effectiveness of the Trust's governance arrangements for 2019/20 through a comprehensive approach and evaluation, which has included:

- Building on our 2018/19 self-assessment of governance to appoint a further Trustee with school improvement experience
- Reviewing outcomes from self-reviews undertaken at the LGB level to identify common themes and potential areas for development.

Reflecting on 2019/20 the Board are positive about the work undertaken to date in relation to the development of the trust's governance arrangements believing there is a clear shared long term vision in place for the Trust, with structures that meet compliance and regulatory requirements, effective clerking to the Board and with Trustees feeling secure in being able to articulate their own contribution into the progress made since September 2019.

Trustees recognise the significant input and contribution from the Trust's local governors during what has been a year of significant changes in responsibilities based on the Trust's updated Scheme of Delegation and the launch of our local LINK governor framework.

Key developments have been made during the year on monitoring performance data on academic attainment and progress. In addition the Trust's Finance & Resources committee receives quarterly budget monitoring reports with key variances to budget highlighted and financial benchmarking data across a number of key indicators for all 26 schools. This allows comparisons on staffing costs and value for money to be evaluated. This information is also shared with all Trustees on a monthly basis. This will be further enhanced in 2020/21 with the implementation of our single cross phase and cloud based MIS.

As a result of this comprehensive approach the Board is satisfied in respect of the quality of performance information that it receives and is confident that it allows timely interventions across all of operations where required.

Areas that have been identified for future development include:

- Continuing to ensure effective two way communication is in place across the Trust at all levels and with all stakeholders

Nicholas Postgate Catholic Academy Trust

Governance Statement (continued)

- A further review of the Scheme of Delegation now that the Trust is maturing as an organisation and linked to our LINK governor framework
- Development of Director level CPD briefings and updating of skills gap analysis
- Ensuring there is effective succession planning in place for Board leadership roles
- Development of overall quality assurance systems across the Trust to provide Trustees with more regular assurance on issues of statutory compliance

Review of Value for Money

The Trust's Accounting Officer has responsibility for ensuring that the trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic period, 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 Trust has delivered improved value for money during the period by:

- Overseeing a procurement strategy for the Trust, including the appointment of our own in-house Procurement Manager
- Using the approved CCS framework to appoint a single teaching supply agency with associated efficiencies and quality assurance mechanisms
- Using the CCS G-Cloud framework to appoint a single cloud based MIS provider across all our schools for implementation at the start of 2020/21 to achieve both financial and non-financial efficiencies
- Continuing our journey towards becoming a cashless Trust with all schools now using a parent payment portal solution
- Commencement of a full 12 month review of Estates and Facilities management across the Trust with the aim of delivering significant savings and more efficient working models for the Trust
- Delivery of the Trust's capital programme using an integrated planning approach and professional input from the Trust's own Head of Estates & Compliance
- Investment of surplus cash balances to attract a rate of return through the use of approved counter parties
- Supporting the qualification of the Trust's CFO as an accredited Schools Resource Management Advisor (SRMA) to allow these skills to be deployed internally within the Trust in future periods and also to offer this capacity as support to the wider sector regionally
- Effective use of the Trust's School Improvement Framework risk assessment process informing priorities for resource allocation

Nicholas Postgate Catholic Academy Trust

Governance Statement (continued)

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 the Trust's 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 Nicholas Postgate Catholic Academy Trust for the period 1 September 2019 to 31 August 2020 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 Trust 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 on-going process for identifying, evaluating and managing its significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed Baldwins (rebranded as Azets in 2020/21) to undertake a programme of internal assurance checks twice a year in the Spring and Summer terms, covering all 26 schools and the Trust's central team.

This role includes giving advice on financial matters and performing a range of checks on the Trust'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;
- testing of expense claims;
- testing of gifts and hospitality;

Nicholas Postgate Catholic Academy Trust

Governance Statement (continued)

- testing of income;
- testing of financial reporting procedures;
- testing of trustee and governor registers of business interests;
- testing of inventories and asset registers; and
- reviewing the taxation position of the Trust.

Following each assurance visit Baldwins' Audit Services report to the Board of Trustees, through the Trust's Audit & Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The auditor has undertaken two termly reviews in 2019/20 and a number of recommendations were raised to address the weaknesses identified. The most significant "medium" rated issues were in respect of a tightening up of month end reconciliation procedures and these areas have been revisited in the autumn term of 2020.

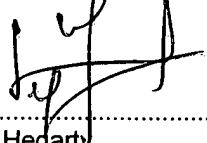
Review of Effectiveness

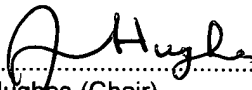
The CEO as Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal assurance reviews undertaken by the appointed provider
- the external audit of the Trust's financial statements for 2019/20; and
- the work of the Trust's Chief Operating Officer (nominated CFO) and central finance team
- 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 & Risk 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 Directors on 15-Dec-20 and signed on its behalf by:


.....
H M Hegarty
Accounting officer
Trustee


.....
J Hughes (Chair)
Trustee

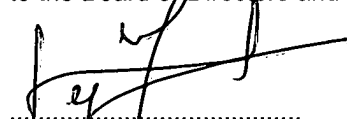
Nicholas Postgate Catholic Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Nicholas Postgate Catholic Academy Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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 Directors and ESFA.



H M Hegarty
Accounting officer

Date: 15 - Dec - 20

Nicholas Postgate Catholic Academy Trust

Statement of Trustees' Responsibilities

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

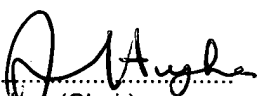
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 on 15 Dec 20 and signed on its behalf by:


.....
J Hughes (Chair)
Trustee

Nicholas Postgate Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Nicholas Postgate Catholic Academy Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Nicholas Postgate Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Nicholas Postgate Catholic Academy Trust (continued)

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report .

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, the trustees 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 auditor's report.

Nicholas Postgate Catholic Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Nicholas Postgate Catholic Academy Trust (continued)

Use of our report

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

MHA Tait Walker

Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2020*

MHA Tait Walker is a trading name of Tait Walker LLP.

Nicholas Postgate Catholic Academy Trust

Independent Reporting Accountant's Report on Regularity to Nicholas Postgate Catholic Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nicholas Postgate Catholic Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Directors's funding agreement with the Secretary of State for Education dated 29 September 2014 and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. 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 from 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

Nicholas Postgate Catholic Academy Trust

Independent Reporting Accountant's Report on Regularity to Nicholas Postgate Catholic Academy Trust and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

MHA Tait Walker
MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2020*

MHA Tait Walker is a trading name of Tait Walker LLP.

Nicholas Postgate Catholic Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	115	-	1,419	1,534
Transfer from local authority on conversion		4	-	-	4
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	47,494	-	47,494
Teaching schools		45	-	-	45
Other trading activities	4	2,630	-	-	2,630
Investments	5	13	-	-	13
Total		2,807	47,494	1,419	51,720
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	1,205	51,012	529	52,746
Teaching schools	31	28	-	-	28
Total		1,233	51,012	529	52,774
Net income/(expenditure)		1,574	(3,518)	890	(1,054)
Transfers between funds		(1,222)	1,081	141	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	28	-	(5,884)	-	(5,884)
Net movement in funds/(deficit)		352	(8,321)	1,031	(6,938)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		4,910	(14,474)	9,477	(87)
Total funds/(deficit) carried forward at 31 August 2020		5,262	(22,795)	10,508	(7,025)

Nicholas Postgate Catholic Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	71	-	1,508	1,579
Transfer from local authority on conversion		2,776	(5,028)	5,559	3,307
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	45,574	-	45,574
Teaching schools		84	-	-	84
Other trading activities	4	2,718	-	-	2,718
Investments	5	11	-	-	11
Total		5,660	40,546	7,067	53,273
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	944	48,628	538	50,110
Teaching schools		64	-	-	64
Total		1,008	48,628	538	50,174
Net income/(expenditure)		4,652	(8,082)	6,529	3,099
Transfers between funds		(649)	248	401	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	28	-	(5,529)	-	(5,529)
Net movement in funds/(deficit)		4,003	(13,363)	6,930	(2,430)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		907	(1,111)	2,547	2,343
Total funds/(deficit) carried forward at 31 August 2019		4,910	(14,474)	9,477	(87)

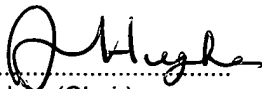
Nicholas Postgate Catholic Academy Trust

(Registration number: 09203984)

Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	13	8,768	8,217
Current assets			
Stocks	14	3	3
Debtors	15	2,132	1,836
Current asset investments	16	5,000	1,000
Cash at bank and in hand		<u>4,524</u>	<u>7,138</u>
		11,659	9,977
Creditors: Amounts falling due within one year	17	<u>(4,440)</u>	<u>(3,536)</u>
Net current assets		<u>7,219</u>	<u>6,441</u>
Total assets less current liabilities		15,987	14,658
Creditors: Amounts falling due after more than one year	18	<u>(217)</u>	<u>(267)</u>
Net assets excluding pension liability		15,770	14,391
Pension scheme liability	28	<u>(22,795)</u>	<u>(14,478)</u>
Net liabilities including pension liability		<u>(7,025)</u>	<u>(87)</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	19	-	4
Restricted fixed asset fund	19	10,508	9,477
Restricted pension fund	19	<u>(22,795)</u>	<u>(14,478)</u>
		(12,287)	(4,997)
Unrestricted funds			
Unrestricted income fund	19	<u>5,262</u>	<u>4,910</u>
Total funds		<u>(7,025)</u>	<u>(87)</u>

The financial statements on pages 32 to 69 were approved by the trustees, and authorised for issue on 15 Dec 20 and signed on their behalf by:


 J Hughes (Chair)
 Trustee

Nicholas Postgate Catholic Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	1,093	6,130
Cash flows from investing activities	24	(3,648)	(553)
Cash flows from financing activities	23	<u>(59)</u>	<u>-</u>
Change in cash and cash equivalents in the year		(2,614)	5,577
Cash and cash equivalents at 1 September		<u>7,138</u>	<u>1,561</u>
Cash and cash equivalents at 31 August	25	<u><u>4,524</u></u>	<u><u>7,138</u></u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

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

Income

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

Grants

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

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

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

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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 period it is receivable and to the extent the academy trust has provided the goods or services.

Investment income

Interest receivable is included in the Statement of Financial Activities on an accruals basis.

Transfer on conversion

Where assets and liabilities are received by the academy trust 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 trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

Transfer of existing academies into the trust

Where assets are received on the transfer of an existing academy into the academy trust, 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 trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Intangible fixed assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
Computer software	3 years straight line

Tangible fixed assets

Land, buildings and improvements over £5,000 and plant, machinery, equipment vehicles or and ICT over £1,000 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on either a straight-line or reducing balance basis over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Asset class	Depreciation method and rate
Long leasehold land	125 years straight line
Long leasehold land improvements	20 years straight line
Long Church owned land improvements	20 years straight line
Long leasehold building	25 - 50 years straight line
Long Church owned building improvements	50 years straight line
Fixtures & fittings	7 years straight line
Motor vehicles	4 years straight line
Computer equipment	3 years straight line

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Liabilities

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

Provisions

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

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

Leased assets

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

Investments

The academy's shareholding in the wholly owned subsidiary, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis 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 charity'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 note 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 charity's wholly owned subsidiary are held at face value less any impairment.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Pension benefits

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate 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.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2020. 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.

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £529,000 (2019 - £539,000).

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Other voluntary income					
Capital grants	-	-	1,419	1,419	1,508
Other donations	115	-	-	115	71
	<u>115</u>	<u>-</u>	<u>1,419</u>	<u>1,534</u>	<u>1,579</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>71</u>	<u>-</u>	<u>1,508</u>	<u>1,579</u>	

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	38,414	-	38,414	37,828
Other ESFA Group grants	-	6,443	-	6,443	5,079
	-	44,857	-	44,857	42,907
Other government grants					
Local authority grants	-	2,487	-	2,487	2,643
Other Government grants	-	63	-	63	24
	-	2,550	-	2,550	2,667
Exceptional government funding					
Coronavirus exceptional support	-	87	-	87	-
	-	87	-	87	-
Total grants	-	47,494	-	47,494	45,574
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	-	45,574	-	45,574	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

The funding received for coronavirus exceptional support covers £86,553 of fuel, telephone, cleaning, caretaking and other sundry costs. These costs are included in notes 7 and 8 below as appropriate.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Lettings income	110	-	-	110	35
Catering income	436	-	-	436	729
Staff absence insurance	288	-	-	288	398
Trip income	224	-	-	224	301
School transport	146	-	-	146	237
Uniform income	5	-	-	5	16
Sundry income	1,421	-	-	1,421	1,002
	<u>2,630</u>	<u>-</u>	<u>-</u>	<u>2,630</u>	<u>2,718</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>2,718</u>	<u>-</u>	<u>-</u>	<u>2,718</u>	

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Short term deposits	13	-	-	13	11
	<u>11</u>	<u>-</u>	<u>-</u>	<u>11</u>	
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>11</u>	<u>-</u>	<u>-</u>	<u>11</u>	

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

6 Expenditure

	Non Pay Expenditure			Total	Total
	Staff costs	Premises	Other	2020	2019
	£ 000	£ 000	costs	£ 000	£ 000
			£ 000		
Academy's educational operations					
Direct costs	27,259	-	1,516	28,775	31,788
Allocated support costs	12,972	4,780	6,219	23,971	18,322
Expenses relating to the teaching school activities	21	-	7	28	64
	<u>40,252</u>	<u>4,780</u>	<u>7,742</u>	<u>52,774</u>	<u>50,174</u>

	Non Pay Expenditure			Total
	Staff costs	Premises	Other	2019
	£ 000	£ 000	costs	£ 000
			£ 000	
Total 2019	<u>36,960</u>	<u>4,507</u>	<u>8,707</u>	<u>50,174</u>

Net income/(expenditure) for the year includes:

	2020	2019
	£ 000	£ 000
Operating lease rentals	111	107
Depreciation	529	539
Fees payable to auditor - audit	18	18
Fees payable to auditor - other audit services	<u>3</u>	<u>3</u>

7 Charitable activities

	2020	2019
	£ 000	£ 000
Direct costs - educational operations	28,775	31,788
Support costs - educational operations	<u>23,971</u>	<u>18,322</u>
	<u>52,746</u>	<u>50,110</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Charitable activities (continued)

	Educational operations £ 000	Total 2020 £ 000	Total 2019 £ 000
Analysis of support costs			
Support staff costs	12,972	12,972	6,732
Depreciation	529	529	538
Technology costs	902	902	812
Premises costs	4,251	4,251	3,969
Legal costs	949	949	1,732
Other support costs	4,334	4,334	4,507
Governance costs	34	34	32
Total support costs	23,971	23,971	18,322

8 Staff

Staff costs

	2020 £ 000	2019 £ 000
Staff costs during the year were:		
Wages and salaries	28,205	27,401
Social security costs	2,613	2,523
Operating costs of defined benefit pension schemes	8,175	5,719
	38,993	35,643
Supply staff costs	1,205	1,181
Staff restructuring costs	54	136
	40,252	36,960
	2020 £ 000	2019 £ 000
Staff restructuring costs comprise:		
Redundancy payments	54	136

Staff numbers

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

	2020 No.	2019 No.
Charitable Activities		
Teachers	499	510
Administration and support	700	711
Management	30	12
	1,229	1,233

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	32	16
£70,001 - £80,000	5	3
£80,001 - £90,000	2	3
£90,001 - £100,000	3	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £2,887,198 (2019 - £2,023,735).

9 Central services

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

- Human resources
- Administration support services
- Education support services
- School improvement services
- Financial management support
- Estates management & compliance support
- Governor support services
- Safeguarding & welfare support
- ICT & data support services
- Attendance monitoring and intervention services

The academy trust charges for these services by retaining 5.25% of annual GAG funding. 0.25% of this amount is ring-fenced to provide a Trust wide staff CPD programme.

The actual amounts charged during the year were as follows:

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Central services (continued)

	2020 £ 000	2019 £ 000
St Bede's Catholic Primary School	40	40
Saint Paulinus Catholic Primary School	42	42
Saint Joseph's Catholic Primary School	63	63
Sacred Heart Catholic Secondary	178	158
St Benedict's Catholic Primary School	74	73
Saint Gabriel's Catholic Primary School	46	47
Saint Peter's Catholic Primary School	147	134
St Margaret Clitherows Catholic Primary School	60	60
St Mary's Catholic Primary School	45	42
Christ The King Catholic Primary School	64	59
St Therese of Lisieux Catholic Primary School	39	39
St Patrick's Catholic College	132	118
St. Patrick's Catholic Primary School	75	72
Corpus Christi Catholic Primary School	59	57
Sacred Heart Catholic Primary School	62	64
St Alphonsus' Catholic Primary School	46	47
St Augustine's Catholic Primary School	42	42
St Bernadette's Catholic Primary School	40	40
St Clare's Catholic Primary School	40	40
St Edward's Catholic Primary School	70	69
St Gerard's Catholic Primary School	41	40
St Joseph's Catholic Primary School	33	34
St Thomas More Catholic Primary School	41	44
Trinity Catholic College	358	206
St Pius X Catholic Primary School	47	47
All Saints Catholic Primary School	10	-
	<u>1,894</u>	<u>1,677</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

H M Hegarty (Chief Executive Officer):

Remuneration: £140,000 - £145,000 (2019 - £130,000 - £135,000)

Employer's pension contributions: £25,000 - £30,000 (2019 - £20,000 - £25,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £1,006 (2019 - £1,163) were reimbursed or paid directly to 1 trustees (2019 - 1).

Other related party transactions involving the trustees are set out in note 29.

11 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Intangible fixed assets

	Software £ 000
Cost	
At 1 September 2019	20
At 31 August 2020	20
Amortisation	
At 1 September 2019	20
At 31 August 2020	20
Net book value	
At 31 August 2020	-
At 31 August 2019	-

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Tangible fixed assets

	Leasehold land and buildings £ 000	Fixtures & Fittings £ 000	Motor vehicles £ 000	Computer equipment £ 000	Assets under construction £ 000	Total £ 000
Cost						
At 1 September 2019	7,349	1,000	2	775	-	9,126
Additions	601	26	-	373	80	1,080
At 31 August 2020	7,950	1,026	2	1,148	80	10,206
Depreciation						
At 1 September 2019	192	288	2	427	-	909
Charge for the year	121	215	-	193	-	529
At 31 August 2020	313	503	2	620	-	1,438
Net book value						
At 31 August 2020	7,637	523	-	528	80	8,768
At 31 August 2019	7,157	712	-	348	-	8,217

The academy trust occupies land (including buildings) which is owned by its trustees who are The Roman Catholic Diocese of Middlesbrough. The trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust occupies the land (and buildings) under a mere licence. This continuing permission of their trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust is occupying the land (and buildings) the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy trust.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Stock

	2020	2019
	£ 000	£ 000
Stock	<u>3</u>	<u>3</u>

15 Debtors

	2020	2019
	£ 000	£ 000
Trade debtors	26	100
VAT recoverable	592	692
Other debtors	18	15
Prepayments and accrued income	<u>1,496</u>	<u>1,029</u>
	<u>2,132</u>	<u>1,836</u>

16 Current asset investments

	2020	2019
	£ 000	£ 000
Fixed term deposits	<u>5,000</u>	<u>1,000</u>

17 Creditors: amounts falling due within one year

	2020	2019
	£ 000	£ 000
Trade creditors	1,149	1,039
Other taxation and social security	627	622
Other creditors	30	34
Accruals	1,123	575
Deferred income	827	725
Pension scheme creditor	<u>684</u>	<u>541</u>
	<u>4,440</u>	<u>3,536</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Creditors: amounts falling due within one year (continued)

	2020 £ 000	2019 £ 000
Deferred income		
Deferred income at 1 September 2019	725	171
Resources deferred in the period	827	725
Amounts released from previous periods	<u>(725)</u>	<u>(171)</u>
Deferred income at 31 August 2020	<u>827</u>	<u>725</u>

At the balance sheet date the Trust was holding funds received in advance in respect of Local Authority Top Up fees, Universal Infant Free School Meals income, sports premium income and school trips.

18 Creditors: amounts falling due after one year

	2020 £ 000	2019 £ 000
Other loans	<u>217</u>	<u>267</u>

Included within creditors: amounts falling due in more than one year is £91,367 (2019 - £106,291) of creditors due more than five years, repayable by instalments.

Loans of £44,000 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (St Paulinus Catholic Primary School) - interest free loan repayments in 6-monthly instalments of £5,500.

Loans of £96,789 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (St Clare's RC Primary School) - interest free loan repayments in 6-monthly instalments of £3,500.

Loans of £50,298 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (St Therese of Lisieux Catholic Primary School) - there is currently a one year payment holiday on this loan.

Loans of £49,080 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (Christ the King Roman Catholic Primary School) - interest free loan repayments in 6-monthly instalments of £4,568.

Loans of £10,306 from Middlesbrough Diocese which is provided on the following terms: Loan from Diocese (All Saints Primary School) - interest free loan repayments in 6-monthly instalments of £1,750.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	38,414	(39,495)	1,081	-
National College for Teaching and Leadership	4	-	(4)	-	-
Other DfE/ESFA grants	-	6,443	(6,443)	-	-
Other government grants	-	2,637	(2,637)	-	-
	<u>4</u>	<u>47,494</u>	<u>(48,579)</u>	<u>1,081</u>	<u>-</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	2,006	1,419	(529)	141	3,037
Capital expenditure from GAG	169	-	-	-	169
Private sector capital sponsorship	12	-	-	-	12
Inherited on conversion	1,666	-	-	-	1,666
Unrestricted fixed assets	50	-	-	-	50
Big Lottery	15	-	-	-	15
Amounts on conversion	<u>5,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,559</u>
	<u>9,477</u>	<u>1,419</u>	<u>(529)</u>	<u>141</u>	<u>10,508</u>
Restricted pension funds					
Pension reserve	<u>(14,478)</u>	<u>-</u>	<u>(2,433)</u>	<u>(5,884)</u>	<u>(22,795)</u>
Total restricted funds	<u>(4,997)</u>	<u>48,913</u>	<u>(51,541)</u>	<u>(4,662)</u>	<u>(12,287)</u>
Unrestricted funds					
General fund	4,719	2,762	(1,205)	(1,110)	5,166
Private school fund	77	-	-	(70)	7
Teaching alliance	95	45	(28)	(42)	70
PFI reserve	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>
Total unrestricted funds	<u>4,910</u>	<u>2,807</u>	<u>(1,233)</u>	<u>(1,222)</u>	<u>5,262</u>
Total funds	<u>(87)</u>	<u>51,720</u>	<u>(52,774)</u>	<u>(5,884)</u>	<u>(7,025)</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	38,012	(39,363)	1,351	-
Pupil Premium	56	3,197	(3,253)	-	-
National College for Teaching and Leadership	4	-	-	-	4
Other DfE/ESFA grants	23	1,697	(1,744)	24	-
Other government grants	-	2,667	(2,667)	-	-
Other grants	162	-	-	(162)	-
Other income	-	965	-	(965)	-
	<u>245</u>	<u>46,538</u>	<u>(47,027)</u>	<u>248</u>	<u>4</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	636	1,507	(538)	401	2,006
Capital expenditure from GAG	169	-	-	-	169
Private sector capital sponsorship	12	-	-	-	12
Inherited on conversion	1,666	-	-	-	1,666
Unrestricted fixed assets	49	1	-	-	50
Big Lottery	15	-	-	-	15
Amounts on conversion	-	5,559	-	-	5,559
	<u>2,547</u>	<u>7,067</u>	<u>(538)</u>	<u>401</u>	<u>9,477</u>
Restricted pension funds					
Pension reserve	<u>(1,356)</u>	<u>(5,992)</u>	<u>(1,601)</u>	<u>(5,529)</u>	<u>(14,478)</u>
Total restricted funds	<u>1,436</u>	<u>47,613</u>	<u>(49,166)</u>	<u>(4,880)</u>	<u>(4,997)</u>
Unrestricted funds					
General fund	736	5,576	(944)	(649)	4,719
Private school fund	77	-	-	-	77
Teaching alliance	75	84	(64)	-	95
PFI reserve	19	-	-	-	19
Total unrestricted funds	<u>907</u>	<u>5,660</u>	<u>(1,008)</u>	<u>(649)</u>	<u>4,910</u>
Total funds	<u>2,343</u>	<u>53,273</u>	<u>(50,174)</u>	<u>(5,529)</u>	<u>(87)</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the Academy Trust including salaries and related costs, overheads, repairs and maintenance, and insurance.

NCTL Teaching School funding is restricted grants received from the National College for Leadership and Teaching.

Other DfE/ESFA grants relates to pupil premium, universal infant free school meals, rates relief and PE sports grant.

SEN funding is funding to provide additional support to qualifying pupils. Other Government grants relates to early years funding, two year old income and SEN received from the council.

Other grant income related to conversion monies which have been received from the other academy trusts which joined the new Multi Academy Trust on 1 September 2018. This income is to be spent on the costs of conversion, of which a significant amount was incurred in the current period.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 26.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds includes income from trips, catering, before and after school club, teaching alliance and other income. Relevant costs have been allocated accordingly.

Transfers represent monies transferred from revenue to fund the purchase of fixed assets and to cover loan repayments in the year.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £ 000	2019 £ 000
St Bede's Catholic Primary School	1	1
St Paulinus Catholic Primary School	1	1
St Joseph's Catholic Primary School	1	1
Sacred Heart Catholic Secondary School	1	1
St Benedict's Primary Catholic School	1	1
St Gabriel's Catholic Primary School	1	1
St Peter's Catholic Primary School	1	1
St Margaret Clitherows Primary School	1	1
St Mary's Catholic Primary School	1	1
Christ The King Roman Catholic Primary School	1	1
St Therese of Lisieux Catholic Primary School	1	1
St Patrick's Catholic College	1	1
St Patrick's Catholic Primary School	1	1
Corpus Christi Catholic Primary School	1	1
Sacred Heart Catholic Primary School	1	1
St Alphonsus' Catholic Primary School	1	1
St Augustine's Catholic Primary School	1	1
St Bernadette's Catholic Primary School	1	1
St Clare's Catholic Primary School	1	1
St Edward's Catholic Primary School	1	1
St Gerard's Catholic Primary School	1	1
St Joseph's Catholic Primary School	1	1
St Thomas More Catholic Primary School	1	1
Trinity Catholic College	1	1
St Pius X Catholic Primary School	1	1
All Saints Catholic Primary School	1	1
Nicholas Postgate Central	5,236	4,888
Total before fixed assets and pension reserve	5,262	4,914
Restricted fixed asset reserve	10,508	9,477
Pension reserve	(22,795)	(14,478)
Total	(7,025)	(87)

Analysis of academies by cost

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

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Funds (continued)

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
St Bede's Catholic Primary School	517	294	22	143	976
St Paulinus Catholic Primary School	568	306	38	200	1,112
St Joseph's Catholic Primary School	975	386	72	184	1,617
Sacred Heart Catholic Secondary School	2,625	910	146	1,140	4,821
St Benedict's Primary Catholic School	1,142	387	39	538	2,106
St Gabriel's Catholic Primary School	616	293	60	237	1,206
St Peter's Catholic Primary School	1,827	908	180	548	3,463
St Margaret Clitherows Primary School	1,037	354	71	258	1,720
St Mary's Catholic Primary School	683	299	45	181	1,208
Christ The King Roman Catholic Primary School	910	321	68	286	1,585
St Therese of Lisieux Catholic Primary School	588	326	44	196	1,154
St Patrick's Catholic College	1,694	994	221	493	3,402
St Patrick's Catholic Primary School	1,025	540	77	352	1,994
Corpus Christi Catholic Primary School	732	364	85	226	1,407
Sacred Heart Catholic Primary School	975	309	34	222	1,540
St Alphonsus' Catholic Primary School	532	303	53	181	1,069

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Funds (continued)

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
St Augustine's Catholic Primary School	550	236	33	197	1,016
St Bernadette's Catholic Primary School	524	293	39	162	1,018
St Clare's Catholic Primary School	509	252	56	198	1,015
St Edward's Catholic Primary School	935	458	47	261	1,701
St Gerard's Catholic Primary School	563	268	28	159	1,018
St Joseph's Catholic Primary School	405	293	25	158	881
St Thomas More Catholic Primary School	498	276	47	152	973
Trinity Catholic College	5,118	1,592	655	1,562	8,927
St Pius X Catholic Primary School	563	307	52	228	1,150
All Saints Catholic Primary School	174	140	28	96	438
Nicholas Postgate Central	815	1,743	153	1,025	3,728
Academy Trust	<u>27,100</u>	<u>13,152</u>	<u>2,418</u>	<u>9,583</u>	<u>52,245</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Funds (continued)

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
St Bede's Catholic Primary School	732	139	30	223	1,124
St Paulinus Catholic Primary School	694	121	41	238	1,094
St Joseph's Catholic Primary School	559	138	21	197	915
Sacred Heart Secondary Catholic Academy	2,481	853	130	1,139	4,603
St Benedict's Catholic Primary School	1,261	172	38	505	1,976
St Gabriel's Catholic Primary School	708	128	87	280	1,203
St Peter's Catholic Primary School	2,196	615	258	658	3,727
St Margaret Clitherows Catholic Primary School	1,158	186	38	279	1,661
St Mary's Catholic Primary School	725	113	37	223	1,098
Christ the King Catholic Primary School	947	152	44	265	1,408
St Therese of Lisieux Catholic Primary School	686	130	48	182	1,046
St Patrick's Catholic College	1,965	492	352	451	3,260
St Patrick's Catholic Primary School	1,212	227	84	333	1,856
Corpus Christi Catholic Primary School	892	131	113	244	1,380
Sacred Heart Catholic Primary School	1,125	117	59	238	1,539
St Alphonsus' Catholic Primary School	651	128	67	229	1,075
St Augustine's Catholic Primary School	747	69	59	216	1,091
St Bernadette's Catholic Primary School	655	121	35	202	1,013

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19 Funds (continued)

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
St Clare's Catholic Primary School	604	82	50	211	947
St Edward's Catholic Primary School	1,089	195	64	286	1,634
St Gerard's Catholic Primary School	696	104	34	159	993
St Joseph's Catholic Primary School	1,077	183	66	194	1,520
St Thomas More Catholic Primary School	631	104	97	175	1,007
Trinity Catholic College	5,749	936	459	1,449	8,593
St Pius X Catholic Primary School	675	81	46	265	1,067
All Saints Catholic Primary School	45	12	3	19	79
Nicholas Postgate Central	132	979	116	1,499	2,726
Academy Trust	<u>30,092</u>	<u>6,708</u>	<u>2,476</u>	<u>10,359</u>	<u>49,635</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	8,768	8,768
Current assets	5,262	4,657	1,740	11,659
Current liabilities	-	(4,440)	-	(4,440)
Creditors over 1 year	-	(217)	-	(217)
Pension scheme liability	-	(22,795)	-	(22,795)
Total net assets	<u>5,262</u>	<u>(22,795)</u>	<u>10,508</u>	<u>(7,025)</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	8,217	8,217
Current assets	4,914	3,803	1,260	9,977
Current liabilities	-	(3,536)	-	(3,536)
Creditors over 1 year	-	(267)	-	(267)
Pension scheme liability	-	(14,478)	-	(14,478)
Total net assets	<u>4,914</u>	<u>(14,478)</u>	<u>9,477</u>	<u>(87)</u>

21 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £ 000	2019 £ 000
Amounts due within one year	52	89
Amounts due between one and five years	<u>27</u>	<u>82</u>
	<u>79</u>	<u>171</u>

The Academy Trust occupies premises which are subject to a private finance initiative (PFI) contract. The Academy Trust is itself not party to this service concession contract, however the Academy Trust has entered into a supporting agreement to make contributions towards the costs. The commitment covers the same period as the PFI agreement of 13 years. The current year cost was £1,099,303 and it is expected that future annual commitments will be at a similar level.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

		2020 £ 000	2019 £ 000
Net (expenditure)/income		(1,054)	3,099
Depreciation	6	529	539
Capital grants from DfE and other capital income		(1,419)	(1,508)
Assets transferred on conversion from Local Authority		-	(5,115)
Interest receivable	5	(13)	(11)
Defined benefit pension scheme obligation inherited	28	-	5,992
Defined benefit pension scheme cost less contributions payable	28	2,171	1,415
Defined benefit pension scheme finance cost	28	261	186
Increase in stocks		-	(3)
Increase in debtors		(295)	(1,536)
Increase in creditors		913	3,072
Net cash provided by Operating Activities		<u>1,093</u>	<u>6,130</u>

23 Cash flows from financing activities

	2020 £ 000	2019 £ 000
Repayments of borrowing	<u>(59)</u>	-
Net cash used in financing activities	<u>(59)</u>	-

24 Cash flows from investing activities

	2020 £ 000	2019 £ 000
Dividends, interest and rents from investments	13	11
Purchase of tangible fixed assets	(1,080)	(1,072)
(Increase)/decrease in fixed term deposits	(4,000)	(1,000)
Capital funding received from sponsors and others	<u>1,419</u>	<u>1,508</u>
Net cash used in investing activities	<u>(3,648)</u>	<u>(553)</u>

25 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	<u>4,524</u>	<u>7,138</u>
Total cash and cash equivalents	<u>4,524</u>	<u>7,138</u>

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	7,138	(2,614)	4,524
Loans falling due within one year	(32)	1	(31)
Loans falling due after more than one year	(267)	59	(209)
	<u>(299)</u>	<u>60</u>	<u>(240)</u>
Total	<u>6,839</u>	<u>(2,554)</u>	<u>4,284</u>

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

28 Pension and similar obligations

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

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

Contributions amounting to £683,752 (2019 - £541,000) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

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

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

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £3,376,200 (2019: £2,841,376).

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

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

Local government pension schemes

Teesside Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £2,011,000 (2019 - £1,908,000), of which employer's contributions totalled £1,506,000 (2019 - £1,405,000) and employees' contributions totalled £505,000 (2019 - £503,000). The agreed contribution rates for future years are 14.6 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Middlesbrough Borough Council.

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.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.10
Rate of increase for pensions in payment/inflation	2.30	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumptions (CPI)	2.30	2.10
RPI increases	<u>2.30</u>	<u>3.10</u>

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

	2020	2019
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	23.50	23.80
Retiring in 20 years		
Males retiring in 20 years	23.20	23.60
Females retiring in 20 years	<u>25.30</u>	<u>25.70</u>

Sensitivity analysis

	At 31 August 2020 £000	At 31 August 2019 £000
Discount rate +0.1%	47,942	35,137
Discount rate -0.1%	50,400	36,782
Mortality assumption – 1 year increase	47,401	34,731
Mortality assumption – 1 year decrease	50,990	37,185
CPI rate +0.1%	49,368	36,261
CPI rate -0.1%	<u>48,974</u>	<u>35,642</u>

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

	2020 £ 000	2019 £ 000
Equities	20,114	16,444
Property	2,117	1,808
Cash and other liquid assets	3,070	2,733
Other	<u>1,165</u>	<u>538</u>
Total market value of assets	<u>26,466</u>	<u>21,523</u>

The actual return on scheme assets was £3,300,000 (2019 - £753,000).

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020 £ 000	2019 £ 000
Current service cost	3,653	2,227
Past service cost	-	592
Interest income	(425)	(562)
Interest cost	685	747
Total amount recognised in the SOFA	<u>3,913</u>	<u>3,004</u>

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

	2020 £ 000	2019 £ 000
At start of period	35,950	5,044
Transferred in on existing academies joining the trust	-	21,616
Current service cost	3,653	2,227
Interest cost	685	747
Employee contributions	505	503
Actuarial (gain)/loss	8,746	5,712
Benefits paid	(368)	(491)
Past service cost	-	592
At 31 August	<u>49,171</u>	<u>35,950</u>

Changes in the fair value of academy trust's share of scheme assets:

	2020 £ 000	2019 £ 000
At start of period	21,523	3,688
Transferred in on existing academies joining the trust	-	15,665
Interest income	425	562
Actuarial gain/(loss)	2,875	191
Employer contributions	1,506	1,405
Employee contributions	505	503
Benefits paid	(368)	(491)
At 31 August	<u>26,466</u>	<u>21,523</u>

North Yorkshire Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £21,000 (2019 - £2,000), of which employer's contributions totalled £16,000 (2019 - £2,000) and employees' contributions totalled £5,000 (2019 - £Nil). The agreed contribution rates for future years are 19 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by North Yorkshire Council.

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.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.50	3.30
Rate of increase for pensions in payment/inflation	2.20	2.00
Discount rate for scheme liabilities	1.70	1.40
Inflation assumptions (CPI)	2.20	2.00
RPI increases	<u>2.20</u>	<u>3.00</u>

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

	2020	2019
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	23.90	25.10
Retiring in 20 years		
Males retiring in 20 years	23.50	23.60
Females retiring in 20 years	<u>25.70</u>	<u>26.90</u>

Sensitivity analysis

	At 31 August 2020 £000	At 31 August 2019 £000
Discount rate +0.1%	168	103
Discount rate -0.1%	178	109
Mortality assumption – 1 year increase	167	104
Mortality assumption – 1 year decrease	179	108
CPI rate +0.1%	174	107
CPI rate -0.1%	<u>172</u>	<u>105</u>

The academy trust share of the assets in the scheme were:

	2020 £ 000	2019 £ 000
Equities	48	31
Government bonds	17	11
Property	6	4
Cash and other liquid assets	3	3
Other	<u>9</u>	<u>6</u>
Total market value of assets	<u>83</u>	<u>55</u>

The actual return on scheme assets was £6,000. (2019 - £3,000).

Amounts recognised in the statement of financial activities

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

	2020 £ 000	2019 £ 000
Current service cost	40	3
Interest income	(1)	-
Interest cost	2	1
Total amount recognised in the SOFA	41	4

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

	2020 £ 000	2019 £ 000
At start of period	106	-
Conversion of academy trusts	-	90
Current service cost	40	3
Interest cost	2	1
Employee contributions	5	1
Actuarial (gain)/loss	20	11
At 31 August	173	106

Changes in the fair value of academy trust's share of scheme assets:

	2020 £ 000	2019 £ 000
At start of period	55	-
Conversion of academy trusts	-	49
Interest income	1	-
Actuarial gain/(loss)	5	3
Employer contributions	16	2
Employee contributions	5	1
Benefits paid	1	-
At 31 August	83	55

29 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

30 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £20,286 and disbursed £7,381 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2019 are £7,151 received, £3,051 disbursed and £Nil included in other creditors.

Nicholas Postgate Catholic Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

31 Teaching school trading account

	2020 £ 000	2019 £ 000
Income		
Direct Income		
Other income	45	84
Total Income	<u>45</u>	<u>84</u>
Expenditure		
Direct costs		
Direct staff costs	(21)	-
Other direct costs	(7)	(64)
Total direct costs	<u>(28)</u>	<u>(64)</u>
Total Expenditure	(28)	(64)
Transfers between funds excluding depreciation	(42)	-
(Deficit)/surplus from all sources	(25)	20
Teaching school balances at 1 September 2019	95	75
Teaching school balances at 31 August 2020	<u>70</u>	<u>95</u>