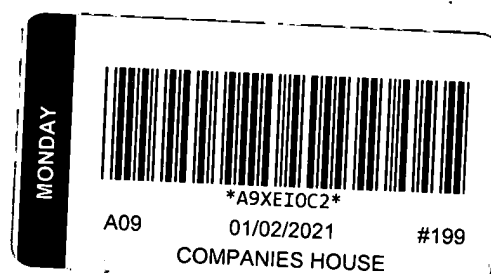


LUMEN CHRISTI CATHOLIC MULTI ACADEMY COMPANY
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2020



Company Limited by Guarantee
Registration Number: 09471525
(England & Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, DIRECTORS AND ADVISORS

| | |
|--|--|
| Members | The Barberi and Newman Academy Trust (resigned 3 October 2019) Bernard Longley (appointed 3 October 2019) David Palmer (appointed 3 October 2019) Adam Hardy (appointed 3 October 2019) |
| Directors | P Vince (Chair) Rev. D E C Evans P Hadley M Hill B O'Driscoll D O'Reilly (appointed 19 May 2020) C Simmonds (appointed 17 September 2019) Birmingham Roman Catholic Diocesan Trustees (Charity 234216) Cathedral House, St. Chad's Queensway, Birmingham B4 6EU |
| Company Registration Number | 09471525 |
| Company Name | Lumen Christi Catholic Multi Academy Company |
| Principal and registered office | St Thomas Aquinas Catholic School Wychall Lane Birmingham B38 8AP |
| Company secretary | H Parrish |
| Senior management team | C Madden, Catholic Senior Executive Lead R Nash, Executive Headteacher - St. Brigid's C Chapman, Head of School - St. Brigid's R Nash, Executive Headteacher - St. Columba's J McAleenan, Head of School - St. Columba's A Backen, Principal - St. James' M Ingram, Vice Principal - St. James' P Greavy, Principal - St. Joseph's L Southerton, Vice Principal - St. Joseph's N Damms, Principal - St. Paul's H Williams, Vice Principal - St. Paul's K Madia, Principal – St Thomas More M Breslin, Vice Principal – St Thomas More C Martln, Principal - St. Thomas Aquinas K Clarke, Vice Principal - St. Thomas Aquinas |
| Independent Auditor | UHY Hacker Young (Birmingham) LLP 9-11 Vittoria Street Birmingham B1 3ND |
| Bankers | Lloyds Bank Plc |
| Solicitors | Howes Percival LLP Oxford House Cliftonville Northampton NN1 5PN |

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The directors present their annual report together with the financial statements and auditor's report of Lumen Christi Catholic Multi Academy Company (the Academy Trust) for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' reports and a Directors' report under company law.

The Lumen Christi Catholic Multi Academy Company operates six primary schools (St. Brigid's - Northfield, St. Columba's and St. James - Longbridge, St. Joseph's and St. Paul's - Kings Norton) and one secondary school (St. Thomas Aquinas - Kings Norton) in the south west of Birmingham. The potential roll of the secondary school (including sixth form) is 1,250, while three of the primaries (St. Columba's, St. Joseph's and St. James) can accommodate 210 pupils each. St. Brigid's is a two-form entry school with a nursery class which can accommodate 420 (452 with nursery places) pupils and St. Paul's is a one form entry school with a nursery class which can accommodate 210 (240 with nursery places) pupils. St. Thomas More Catholic Primary School, based in the Sheldon area of Birmingham, became the MAC's sixth primary school when it converted to academy status on 1 September 2019. It has a capacity of 420 pupils. The total potential roll is therefore 2,930, whereas the combined actual pupil population was recorded as 2,741 in the October 2019 school census (excluding Nursery pupils).

Lumen Christi primary schools draw pupils from the Northfield, Selly Oak and Sheldon constituencies; St. Thomas Aquinas takes students from a wider catchment area across the south and south west of Birmingham. Children are admitted according to each school's published admission criteria, (published on each school's website link via www.lumenchristi.org.uk) and coordinated by Birmingham City Council.

The Academy currently serves schools in the parishes of Our Lady of Perpetual Succour (Rednal), Our Lady & St Brigid's (Northfield), St. Paul's (Kings Norton), St. John Fisher (West Heath), St. Joseph & St. Helen (Kings Norton) and St. Thomas More (Sheldon).

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Lumen Christi Catholic Multi Academy 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 company. Lumen Christi is one of the many such Catholic multi academy Companies that was formed within the umbrella charitable trust of the Birmingham Diocese of the Catholic Church. This umbrella charitable trust was known as the Barberi and Newman Academy Trust (Company number 08183803). Until 3rd October 2019, Barberi and Newman Academy Trust was the sole member of Lumen Christi Catholic Multi Academy Company.

Barberi and Newman Academy Trust membership ceased on 3rd October 2019 with Bernard Longley, David Palmer and Adam Hardy appointed as members on the same date.

The Directors are the Birmingham Roman Catholic Diocesan Trustees who are registered as a body corporate under Part 12 of the Charities Act 2011 (Registered charity number 234216). The charitable company is known as the Lumen Christi Catholic Multi Academy and the majority of the director responsibilities are delegated to its Directors within the Articles of Association, Master Funding Agreement and Scheme of Delegation.

Details of the Directors who served during the year are included in the Reference and administrative details on page 3.

A special resolution was passed on 19 July 2019 to adopt new Articles of Association. As a result, a new scheme of delegation was adopted allowing the evolution of governance and operations within Lumen Christi. These changes have provided better clarity for Directors and School Standards Committees (formerly Local Academy Committees) regarding responsibilities, accountability and reporting.

Members' liability

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

Directors' indemnities

The Multi Academy purchase indemnity insurance to cover Members, Directors, Academy Representatives and Officers from claims arising from errors or omissions whilst on Trust Company business. The insurance provider provides up to £5,000,000 in aggregate claims.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**Method of recruitment and appointment or election of Directors**

Full details are set out within the Articles of Association which detail the type, number and process of appointing Directors. The minimum total number of Directors is three, but there is no maximum specified (Article 45). All Directors must, upon appointment or election, sign a written undertaking to the Trustees and the Catholic Diocesan Bishop (Article 45A) to uphold the Objects of the Academy Company.

Subject to Articles 48 to 49, the Company shall have the following Directors:

- Such number of Foundation Directors so as to constitute a majority of the Directors by at least two from time to time and shall be appointed under Article 50. No employee can be appointed as a Director of the company.
- A minimum of 2 Parent Directors appointed by the Directors whether after election or otherwise under Articles 53-56 in the event that no provision is made under Article 101, or is planned, for at least 2 Parent Representatives on each School Standards Committee established under Article 100(a);
- The Company may also have any Co-opted Director appointed under Article 58.

Directors shall be appointed or elected, as the case may be, under these Articles. Foundation Directors are appointed by the Diocesan Bishop. In Lumen Christi, each School Standards Committee may comprise two Parent Representatives and as such there is no provision for Parent Directors to serve on the Board. There are two currently Co-opted Directors elected to serve on the Board in recognition of their specialist skills and knowledge that, in agreement with the members, are of benefit to the Board in the delivery of the objects and aims.

Policies and Procedures Adopted for the Induction and Training of Directors

New Directors and Committee Representatives are formally written to on appointment and supplied with relevant details of Governance. A meeting is held between the new Director/s and Company Secretary who issues key documents including the Scheme or Delegation, Delegation Planner and an overview of the status of the company, key personnel and the Strategic Vision. Directors are also given access to all historic meeting documents on request and will soon be able to access information via a secure web portal; key documents and policies are published on the company's website. Further training is made available from both internal and external providers.

ORGANISATIONAL STRUCTURE

The Board of Directors have responsibility for the Lumen Christi Catholic Multi Academy. Where duties are delegated to Core or School Standards Committees, they are identified within Scheme of Delegation and related delegation planner and Committee Terms of Reference which is reviewed annually.

The position of Catholic Senior Executive Lead (CSEL) was created in September 2018. The CSEL is also the Accounting Officer and holds accountability for standards and financial operations and control across Lumen Christi. Delegation of financial responsibility is set out within the Company's Financial Regulations and specifically the Scheme of Financial Delegation.

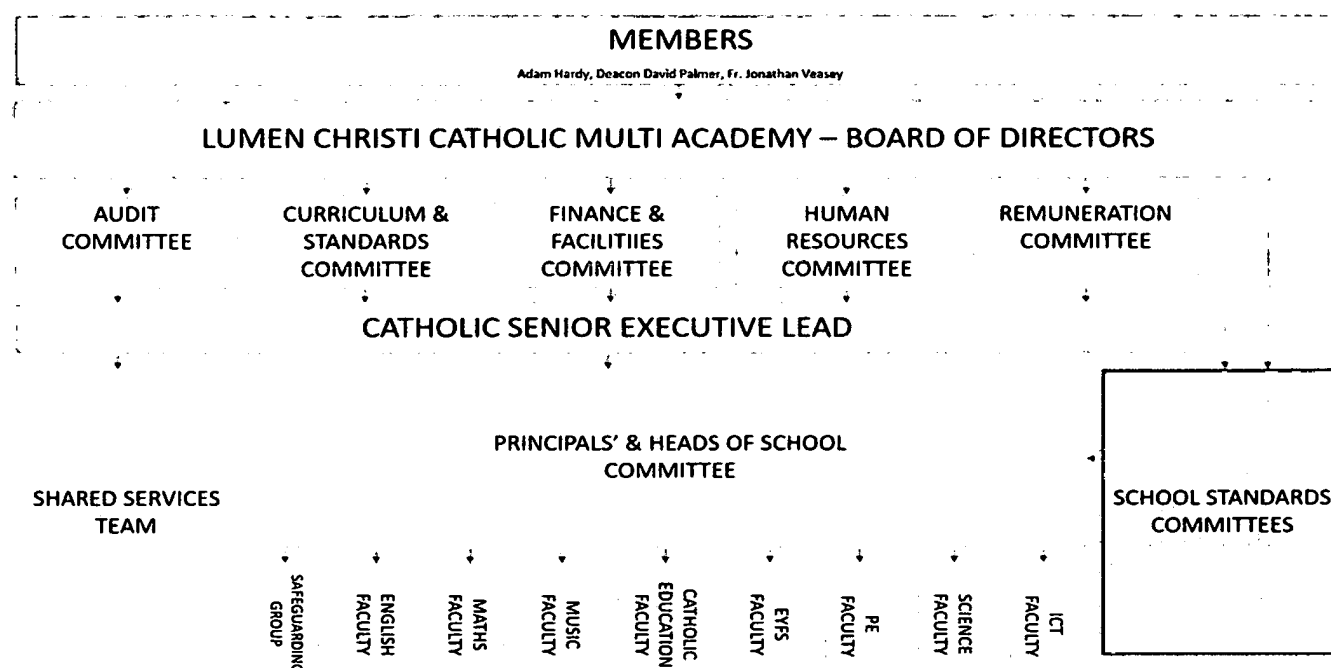
The Board of Directors maintains overall control for:

- Preserving and developing the Lumen Christi's Catholic character at all times.
- Ensuring clarity of vision, ethos and strategic vision.
- Holding the Catholic Senior Executive Lead to account for the educational performance of the schools, safeguarding of pupils and students and the appraisal and wellbeing of employees.
- Overseeing the financial performance of Lumen Christi, making sure its money is spent well.
- The activities and performance of the Company.
- The appointment of CSEL, Executive Headteachers, Principals, Heads of School, Vice Principal, School Chaplain and Head of Religious Education (secondary).
- The approval of Annual Financial Statements and Budgets.
- Ratifying policies and procedures implemented within the Company.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

ORGANISATIONAL STRUCTURE (cont'd)

Structure

**Arrangement for setting pay and remuneration of key management personnel**

For the year ended 31 August 2020, Lumen Christi Catholic Multi Academy has adopted a pay policy based on the recommendations of the School Teachers' Pay and Conditions Document 2019, Birmingham Diocesan Education Service and Birmingham City Council pay policy for support staff 'NJC national agreement on Pay & Conditions 1997 (update 2005).

Pay and remuneration for positions recruited to since 1st April 2015 has been set in accordance with this policy with reference to:

- Individual School's Range for each school.
- Advice from the Birmingham Diocesan Education Service.
- Birmingham City Council 'single status' grades for senior support staff positions.

Trade union facility time**Relevant union officials**

There are no employees who were relevant union officials during the accounting period.

Connected Organisations, including Related Party Relationships

The Lumen Christi Catholic Multi Academy is connected to Birmingham Diocesan Education Service (BDES) by virtue of the Director of Education at BDES also being a member.

The Newman University is a related party, as a result of the Rev DEC Evans being a Director of both the Lumen Christi Catholic Multi Academy Company and the Newman University. There were transactions between the University and MAC during the period; all of which are within the ordinary course of business.

The Board, in the performance of its duties, pays due regard to the advice and information provided by the supporting committees and School Standards Committees.

OBJECTIVES AND ACTIVITIES**Objects and aims**

The Lumen Christi Catholic Multi Academy is restricted in its principal object and in its aims through a number of funding agreements with the Education and Skills Funding Agency (ESFA) including leases with the Catholic Church.

The Company's object is specifically restricted to the following:

- to advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Catholic schools designated as such offering a broad and balanced curriculum;

- to provide Key Stages 1-4 and 16 to 19 provision offering a curriculum appropriate to the needs of its students;
- and in each case, conducted as Catholic Schools in accordance with the Code of Canon Law of the Latin Church and the doctrinal, social and moral teachings of the Catholic Church from time to time and following the directives and policies issued by the Diocesan Bishop to ensure that the formation, governance and education of the Academies is based on the principles of Catholic doctrine, and at all times serving as a witness to the Catholic faith in Our Lord Jesus Christ.

Our Mission

The agreed mission statement of Lumen Christi Catholic Multi Academy is:

To work together with trust, respect and love to provide the highest quality Catholic education to our communities.

This statement succinctly articulates the vision that Lumen Christi schools will provide outstanding Catholic education and enrichment opportunities, for children from age 3 to 18 in accordance with our core purpose and strategic plan. Our chosen values are **Compassion, Integrity and Service to Others**.

Our Strategic Vision

- A culture of vibrant and explicit Catholic life is established, both within Lumen Christi and in the communities, we serve.
- The future of Catholic education is secure and sustainable.
- Outcomes in each school enable our children to reach their full potential as a child of God.
- Lumen Christi is an employer of choice - an inspirational and inclusive organisation.

For the academic year 2019-20 the following activities were prioritised in working towards four strategic objectives:

- Plan and deliver a rich and rewarding Mission experience 2020 engaging Lumen Christi pupils, staff, parents and parishes.
- Engage fully with local schools to promote transition within Lumen Christi and facilitate its growth to 3000+ pupils.
- Refine and embed a rigorous school improvement strategy through Principals, School Standards Committees and external partners.
- Ensure proactive development of leadership through training, improved reporting, communication and clarity of roles.

Strategic Vision

1 A culture of vibrant and explicit Catholic life is established, both within Lumen Christi and in the communities, we serve.

The Board is responsible for setting the strategic direction, preserving and developing the religious mission and ethos of all Lumen Christi schools. Securing the Catholic ethos of day to day life within the schools is the direct responsibility of the CSEL and Principals. Aspects of this responsibility are delegated to Senior, Middle and Subject Leaders. A programme of liturgical events provides opportunities for all Lumen Christi young people and adults to journey in faith and develop in their spirituality.

Desired Outcomes:

- Enriched working which reflects and strengthens our vision.
- Shared engagement and enjoyment of all adults, staff, governors and local communities in our mission.
- Frequent pupil opportunities for spiritual development are available across all key stages.
- Parents, staff and wider parish communities access opportunities for spiritual enrichment.
- A vibrant programme of events and opportunities receive positive evaluations and reviews.
- Positive perceptions of Lumen Christi ensure increasing admissions and increased numbers of children transitioning to St Thomas Aquinas.
- Greater engagement with parishioners, building relationships, showcasing our young people and demonstrating our faith in action.
- Increased engagement with charity organisations and action supportive of Catholic social teaching.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**Strategic Vision (cont'd)****2 The future of Catholic education is secure and sustainable**

The Diocesan Academy Strategy includes a South Birmingham MAC of 22 schools incorporating Lumen Christi. We are committed to working towards this, in support of the Diocesan strategy. In Spring 2019 the DES requested that Lumen Christi support St Thomas More, a Birmingham Catholic Primary school, on its improvement journey following a Direct Academy Order. St. Thomas More Catholic Primary School converted to join Lumen Christi on 1st September 2019. The conversion and transition has been successful with a new Principal taking up post in April 2019. The school has seen an improvement in outcomes and has received positive feedback from external visitors from BDES and HMI on a pilot visit.

We work proactively with our extended family of Catholic schools and ensure that they are not working in isolation. This has been particularly important during the COVID pandemic when we have worked with Principals from schools not yet within Lumen Christi. We build on the principle of 'communion' to ensure stakeholders at every level are working together to deliver school improvement, leadership and governance and financial security to strengthen Catholic education now, and in the future.

Desired Outcomes:

- Successful conversions of schools joining Lumen Christi – expanding to 3000+ pupils.
- Improved working relationship with other primary and secondary schools and positive engagement.
- Improved programme of transition activities and good PR opportunities.
- Increased transition numbers for MAC schools.
- Efficient Shared Services team with adequate capacity.
- Improved clarity of responsibilities and increased centralisation of processes.
- Reserves established and adhered to for Lumen Christi Schools.
- Clear business plans and options papers for further economies of scale.
- Increased funding opportunities, networking and bid applications.

3 Outcomes in each school enable our children to reach their full potential as a child of God

This work sits at the centre of the mission statement for Lumen Christi Catholic Multi Academy. Lumen Christi strives to deliver the highest quality of Catholic education to its pupils and to address the spiritual and pastoral needs of all, and of those who are disadvantaged in particular.

Desired Outcomes:

- All key outcomes meet or exceed National standards.
- Common practice facilitates more meaningful collaboration.
- Effective leadership at all levels leads to focussed school improvement work in faculties.
- There is consistent, clear and comprehensive reporting of outcomes at all appropriate levels.
- There is effective peer to peer support for schools to address Ofsted action points or areas of weakness.
- Aligned assessment and planning practice assists collaboration.
- A knowledge rich curriculum, which is well sequenced and progressive, serves to ensure rich cultural capital delivery for all.
- Stronger curriculum offer which eases transition for transferring pupils.
- Continued commitment to and development of the Pathfinder pastoral programme consolidates its success so far and secures its future.
- Delivery of regular training and a PIE approach result in dynamic responses to current and future social challenges.

4 Lumen Christi Catholic Multi Academy is an employer of choice – an inspirational and inclusive organisation

Recruitment of teachers and especially leaders is increasingly challenging in the Catholic sector. A centralised and coherent approach to talent management and leadership development would help attract and retain the best staff. Lumen Christi strives to live out our mission statement and Gospel values in relation to staff as well as pupils, allowing them to develop and realise their full potential.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**Strategic Vision (cont'd)****Desired Outcomes:**

- Centrally developed HR procedures and policies are consistently applied moving towards centralisation of Lumen Christi HR.
- Productive and efficient meetings lead to clear reporting and timely actions.
- Increase in staff feeling inspired and prepared to lead on Lumen Christi projects.
- Improved communication keeps all staff, communities and parishes informed.
- Surveys and evaluation feedback show staff feel valued and that Lumen Christi is a good place to work.
- Those outside Lumen Christi have a clear perception of the advantages of employment within the academy.
- There is a sense of engagement and pride in the Lumen Christi identity.

New reporting formats, aligned to the new Scheme of delegation were introduced in September 2019. These supported the standardisation of reporting, providing key centralised information on compliance and on the key areas of:

- Safeguarding and Pastoral matters
- Statutory Training
- Health and Safety

The Lumen Christi Board have set out a strategic plan 2018-21. This feeds an annual development plan which is drawn up in consultation with the Board, Principals Committee and central team. Subsequently, individual development plans are written up at school level, reflecting their specific contexts, individual needs and priorities. There is a collaborative drive towards improvement by aligning activity and training where possible and appropriate.

Public Benefit

The Directors confirm that they have complied with the duty in the Charities Act 2011 to have due regards to the Charity Commissioner's general guidance on public benefit in exercising their powers and duties. They have referred to this guidance when reviewing the Company's aims and objectives and in planning its future activities.

Strategic report**Achievements and Performance****Key Performance Indicators**

The attainment of pupils against national expectations are considered to be the Lumen Christi Catholic Multi Academy Company's primary performance indicator. In 2020, there was no national data set. The performance of the schools based on centre assessed grades is outlined below.

| KEY STAGE 2 RESULTS | National | B'ham | St Brigid's | | St Columba's | | St James' | | St Joseph's | | St Paul's | | St Thomas More | |
|---------------------------|----------|-------|-------------|------|--------------|------|-----------|------|-------------|------|-----------|------|----------------|------|
| | 2019 | 2019 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Reading | 73% | 69% | 75% | 80% | 43% | 78% | 90% | 93% | 90% | 80% | 76% | 82% | 70% | 80% |
| Reading GD | 27% | 25% | 25% | 25% | 13% | 27% | 37% | 48% | 41% | 48% | 35% | 29% | 23% | 35% |
| Writing | 78% | 75% | 78% | 75% | 78% | 78% | 90% | 90% | 86% | 76% | 83% | 82% | 82% | 77% |
| Writing GD | 20% | 16% | 21% | 18% | 32% | 19% | 30% | 33% | 28% | 32% | 24% | 25% | 20% | 16% |
| SPAG | 78% | 78% | 82% | | 83% | | 100% | 94% | 93% | | 86% | | 73% | |
| GD | 35% | 40% | 38% | | 36% | | 37% | 40% | 69% | | 45% | | 30% | |
| Maths | 79% | 71% | 70% | 80% | 73% | 79% | 97% | 90% | 90% | 84% | 82% | 82% | 57% | 78% |
| Maths GD | 26% | 26% | 25% | 25% | 33% | 23% | 27% | 33% | 38% | 42% | 31% | 29% | 16% | 22% |
| Comb RWM | 65% | 62% | 57% | 68% | 43% | 75% | 90% | 90% | 86% | 74% | 73% | 82% | 55% | 71% |
| GD | 11% | 9% | 12% | 18% | 17% | 19% | 7% | 20% | 14% | 23% | 14% | 18% | | 11% |

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**Strategic report (cont'd)**

| KEY STAGE 4 RESULTS | St Thomas Aquinas | St Thomas Aquinas | St Thomas Aquinas |
|----------------------------|----------------------|----------------------|----------------------|
| | 2018 | 2019 | 2020 |
| 4+ English and Maths | 61% | 67% | 79% |
| 5+ English and Maths | 39% | 43% | 52% |
| Average English Progress 8 | -0.03 | 0.119 | 0.04 |
| Average Maths Progress 8 | -0.238 | -0.306 | 0.12 |
| Progress 8 | -0.14 | -0.06 | 0.14 |
| Attainment 8 | 46.2 | 48.7 | 48.8 |
| KEY STAGE 5 RESULTS | | | |
| A –Level VA | 0.1 | -0.05 | 0.21 |
| A*-B | 43% | 53% | 62% |
| 3+A*-E | 90% | 85% | 86% |
| 3+A*-B | 16% | 28% | 40% |

Review of Activities 2019-20**Notable Achievements**

- Appointment to the significant position of Principal Business Manager.
- Successful appointment of a Lumen Christi, Head of School to the position of Headteacher at a local Catholic school.
- Promotion of Vice Principal of St Joseph's to the position of Head of School at St Columba's.
- Successful outcomes in Section 48 Inspection at St Columba's moving from Good to Outstanding – February 2020
- Lumen Christi annual staff conference to launch our Mission 2020 – Let His Light Shine through our Service.
- Increased offer of Lumen Christi safeguarding training to ensure high standards and compliance.
- Increased effective and supportive collaboration between Principals to secure a positive response to COVID-19
- Swift and efficient transfer to remote operations during school closures despite reduced staffing capacity in the central team.

Going Concern

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

The Board also recognises the current financial funding crisis affecting schools and are therefore taking active measures to reduce costs without a detrimental impact on the quality of performance or education. This includes implementation of the following measures:-

- Increased centralised functions and processes
- Continued review of all non-essential posts
- Reviewing and rationalising shared services function
- Collaborative purchasing
- Continued review of external contracting arrangements
- External income generation

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**FINANCIAL REVIEW****RESERVES POLICY**

The Finance and Facilities Committee expect that Schools are to hold contingency reserves from their annual GAG funding or other income.

The Directors require a revenue reserve to be created to fund future expenditure related to the Lumen Christi Catholic Multi Academy Development Plan's strategic long-term aims and developments. The policy of the Lumen Christi Catholic Multi Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

The ESFA have removed restrictions on the level of GAG that schools can hold as a reserve.

Under Accounting Standard FRS102 it is necessary to charge projected estimate on the Local Government Pension Scheme that is provided for non-teaching staff to a specific restricted reserve. As at 31 August 2020 the deficit on this reserve amounted to £13,556,000 (2019: £9,619,000). It is anticipated that the deficit reduction payments that have been agreed in relation to this scheme could well place significant financial strain on the academy trust and impact on the amount of reserves held in future years. Deficit reduction payments have been built into the 2020/21 annual budget approved by the Board.

At 31 August 2020 the unrestricted general reserve balance was £887,000 (2019: £727,000) the restricted income funds were £768,000 (2019: £481,000) and the restricted asset funds were £1,061,000 (2019: £775,000).

FINANCIAL PERFORMANCE

The Lumen Christi Catholic Multi Academy had net reduction in funds of £3,204,000 (2019: £1,350,000). However, this is inclusive of non-operational and non cash items such as the actuarial loss, FRS102 pension charge and fixed asset funds. Excluding the impact of these items the MAC has reported an in-year operational surplus of £447,000 (2019: £387,000).

The impact of the above performance has seen total revenue reserves increase to £1,655,000 (2019: £1,208,000) at 31 August 2020.

The cash balance has increased to £3,017,000 (2019: £1,713,000). The Lumen Christi Catholic Multi Academy continues to make use of (but not exceed) the credit offered by suppliers. Amounts due to trade creditors have decreased to £212,000 compared to £440,000 last year.

PENSION DEFICIT

The pension reserve remains in deficit £13,556,000 (2019: £9,619,000). The value is driven by the actuarial valuation of the local government pension scheme. Lump sum deficit reduction payments have been made to reduce the deficit.

MATERIAL INVESTMENTS POLICY

For the 2019/20 financial year the MAC have moved towards a streamlined banking process. Available funds have also been placed on short term deposit. The following objectives as detailed within the Lumen Christi Catholic Multi Academy Company investment policy were met which include:-

- to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation;
- only invest funds surplus to operational need based on all financial commitments being met without the Academy bank account's becoming overdrawn;
- all investment decisions should be exercised with care and skill and consequently be in the best interests of the Lumen Christi Catholic Multi Academy Company, commanding broad public support.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors of the Lumen Christi Catholic Multi Academy Company regularly review the Strategic Risk and Reputational Risk register. This covers the following areas:-

- Premises and physical security, which covers the risks associated with loss of buildings, health and safety non-compliance, security breach and critical incident;
- Strategic and business risks - this includes reputational risk, falling roll, recruitment and retention of staff and the potential effects of employment relation claims;
- Duty of care, which covers the area of safeguarding and associated risks;
- I.T. risks, including network down time and cyber attacks;

- Finance risks, including change in funding formulas and loss of income;
- External risks, including the change of government policy and impact of BREXIT; and
- Ongoing risks associated with schools operating with depleted staff due to sickness and self-isolation as well as other restrictions imposed by COVID-19

There are a number of procedures and control mechanisms put in place in order to mitigate the potential risks faced. This includes regular training of staff on areas highlighted as risks, policy development, clearly defined roles and expectations for staff. External audits and reporting to external stakeholders.

FUNDRAISING

In line with our ethos and Gospel values, pupils raise charitable donations for a number of local and national charities, through events such as raffles, coffee mornings non-uniform days. Details of different events and named charities can be found locally at each school. The company continues to support B30 foodbank through donations of non-perishable items collected across all schools and there have been other collections of food and finance organised to support the most disadvantaged families during COVID-19.

Funds raised for external charities are deposited in the former school fund accounts and from here cheques are written and dispatched to the appropriate receiving charitable organisation. Letters and certificates received from charitable organisations detailing support are displayed in books within school reception areas and reported in school newsletters. Charitable funds are not deposited into the main school bank account. Where schools ask for a voluntary contribution to school fund this is used to pay for additional items to benefit the pupils within the individual school.

The Lumen Christi Catholic Multi Academy Company has received no complaints in relation to charitable fundraising events and continues to protect all pupils/students from any unreasonably intrusive or persistent fundraising approaches either from within the academy or from external organisations. For example, pupils can elect to wear own clothes on a specified day defined by the individual school with a voluntary contribution of between 50p - £1.00 the funds are then directed to the school's chosen charity which is specified when advising parents of the event.

The Lumen Christi Catholic Multi Academy Company does not use professional fundraisers and always gives due consideration to ensuring that potential donors are not placed under pressure to donate.

Plans for future periods

FUTURE DEVELOPMENTS

The Board of Directors will begin the process of shaping the new strategic plan to run from 2021-24.

The CSEL wrote to the Board in September 2019 to inform them of her intention to retire at the end of this academic year. A recruitment campaign will seek a new appointment to the role to begin in September 2021.

Following the appointment of a new Principal Business Manager in October 2020, a review of processes and management information systems is being conducted. This will improve the efficiency and delivery of services to both schools and governors as well as preparing for further successful expansion.

Governors of a local Catholic Primary school have passed a motion and applied to the BDES to convert to academy status within Lumen Christi in Spring 2021. This conversion was approved at the Headteacher Board in June 2020. Informal collaborations have already begun with another local Catholic primary school.

Lumen Christi Mission 2020 was cancelled due to school closures in the spring and summer term 2020. However, the staff conference day in October 2020 was on the theme 'Let His Light shine in Me'. This was conducted remotely and focussed on staff personal and spiritual well-being. This will remain a priority given the challenges presented to leaders and colleagues in ensuring that schools remain open in response to government expectations.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**FUTURE DEVELOPMENTS (cont'd)**

The work of the Principals Committee is focussed on compliance with the Remote Learning Continuity Direction which came into effect this term and the statutory requirement to deliver RSHE from summer 2021.

EMPLOYEE INVOLVEMENT

Employees have been consulted with on issues of concern to them by means of regular staff meetings, surveys and focused consultation. This has been of particular importance during COVID closure and re-opening, both in terms of planning for attendance, managing risk and supporting health and well-being. Our team have been kept informed on specific matters directly by management and annual joint training sessions provide an update on the journey and direction of the Lumen Christi strategic plan. Lumen Christi undertakes exit interviews or surveys for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Directors.

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

- Equality statement & objectives
- Staff & volunteer code of conduct
- Carers policy
- Employment policies
- Whistleblowing policy
- Bereavement policy
- Menopause policy
- Safer Recruitment Policy

In the coming year, work will be undertaken to form an Equality, Diversity and Inclusion forum in order to ensure employees are involved in assessing the impact of policies, procedures and other organisational changes that may affect them.

EMPLOYMENT OF THE DISABLED

In accordance with the MAC's Equality Statement, Lumen Christi has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the MAC's offices or website www.lumenchristi.org.uk.

In line with our policies, Lumen Christi confirms that we are committed to:

- i. Full and fair consideration of applications for employment made by all individuals including disabled persons, having regard to their particular aptitudes and abilities.
- ii. Continuing the employment of and arranging training for employees who have become disabled persons while employed.
- iii. Providing access to training, career development and promotion of all staff, including disabled persons.

We achieve delivery of this commitment by ensuring there is adherence to our employment policies, scrutinising practice across our schools via Core Committees of the Board and CSEL reporting and by providing opportunities for staff to feedback experiences via surveys, staff briefings, one to one supervision and performance management sessions.

FUNDS HELD AS A CUSTODIAN TRUSTEE

During the 2019/20 accounting period the Lumen Christi Catholic Multi Academy have acted as Custodian Trustee on behalf of the Police and Schools Panel project and the Birmingham SEMH Pathfinder.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The auditor, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Directors' report, incorporating a strategic report, was approved by order of the board of directors as the company Directors, on 20 January 2021 and signed on its behalf by:



P Vinoc

Chair

20 January 2021

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**Scope of Responsibility**

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

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

The Board of Directors has delegated the day-to-day responsibility to the Catholic Senior Executive Lead, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Lumen Christi Catholic Multi Academy Company and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

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

| Director | Meetings attended | Out of a possible |
|------------------|--------------------------|--------------------------|
| Rev. D E C Evans | 3 | 6 |
| P Hadley | 4 | 6 |
| M Hill | 5 | 6 |
| B O'Driscoll | 6 | 6 |
| D O'Reilly | 2 | 2 |
| C Simmonds | 6 | 6 |
| P Vince | 6 | 6 |

The Board of Directors has benefitted from the ongoing commitment of Directors and Peter Vince has remained in position as Chair of the Board. Committee membership is small but attendance is consistent.

We were pleased to welcome David O'Reilly to the Board in May to support the MAC in our mission of delivering outstanding Catholic education to our communities and our strategic aim of establishing a culture of vibrant and explicit Catholic life in our schools. David has extensive experience in capital investment projects and programmes, procurement and management of public funds expenditure.

We were also pleased to welcome Claire Simmonds as the new Chair of the Audit Committee. Claire was appointed post year-end in September 2019 and has a wealth of finance experience. As a Chartered Accountant and member of ICAEW Claire has extensive experience as an external auditor supporting finance teams, Audit Committees and Governing bodies with technical accounting, financial reporting and risk management.

We are currently seeking to appoint Directors with expertise in legal, school improvement and marketing/communications fields.

In addition to board meetings, effective oversight of the academy trust funds also is maintained by:

- Termly meetings of the Finance and Facilities Core Committee;
- Review of monthly management accounts by the Chair of the Board and Chair of the Finance Committee;
- Weekly meetings between the CSEL and Principal Finance Officer.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**Audit Committee**

The Audit Committee is a sub-committee of the main Board of Directors. The work of the Audit Committee has included preparation for the annual Regulatory Audit, ensuring ongoing compliance with the Academies Financial Handbook and the continued review of any potential risks to the company.

The Audit Committee met once during the year, impeded by the resignation of the Principal Finance Officer in spring 2020 and subsequent delay in recruitment due to the COVID lockdown and emergency response by school. A further meeting of the Audit Committee took place at the beginning of September 2020 to identify emerging issues to be addressed in the normal round of meetings for the new academic year. As the Audit Committee was not quorate for decision making in 2019/20, matters were referred to the full Board as needed. The membership of the Committee has been addressed in readiness for 2020/21 academic year.

| Director | Meetings attended | Out of a possible |
|------------------|--------------------------|--------------------------|
| Rev. D E C Evans | 1 | 1 |
| B O'Driscoll | - | 1 |
| C Simmonds | 1 | 1 |

Finance and Facilities Committee

The Finance and Facilities Committee is also a subcommittee of the main Board of Directors. The focus for the committee continues to be the drive towards long term financial stability. The key function of the Committee is ensuring the MAC continues to be compliant with the Academies Financial Handbook and in meeting all prescribed ESFA reporting deadlines.

The Committee has continued to support schools in providing clarity and direction in relation to the current financial position and medium term financial planning. In 2019/20, key areas of work for the committee has been the move towards centralisation of business functions within Lumen Christi, on-going scrutiny of budget setting by schools across the MAC, cashflow monitoring and considering the effectiveness of financial monitoring and reporting at all levels.

Facilities and Health and Safety compliance is included within the work programme for this committee. In 2019/20, the Committee considered how the estates strategy for Lumen Christi should be developed and particularly the need for detailed conditions surveys of each site. Once again, the work of the Committee in 2019/20 was limited due to the resignation of the Principal Business Manager and recruitment delay caused by COVID closure. The Committee met in early September to consider remedial action needed to address issues arising from lockdown and staff vacancies, and to prepare for the autumn 2020 audit. The Committee was not quorate for decision making in 2019/20 and therefore matters were referred to the Board for consideration as required.

| Director | Meetings attended | Out of a possible |
|------------------|--------------------------|--------------------------|
| Rev. D E C Evans | - | 1 |
| P Hadley | - | 1 |
| C Simmonds | 1 | 1 |
| P Vince | 1 | 1 |

HR Committee

The HR Committee met 3 times during the 2019/20 reporting period and continues to strategise and scrutinise activity relating to HR including staffing ratios, performance indicators and turnover, recruitment, retention, pay appraisal and CPD. In 2019/20, the HR Committee was focused primarily on building the executive team, considering functions needed for centralisation and expertise required in business management within a growing organisation. A key outcome for the committee was devising the role of Principal Business Manager within Lumen Christi. The Committee was not quorate for decision making in 2019/20 and therefore matters were referred to the Board for consideration as required.

| Director | Meetings attended | Out of a possible |
|-----------------|--------------------------|--------------------------|
| P Hadley | 2 | 2 |
| M Hill | 1 | 2 |
| B O'Driscoll | 2 | 2 |
| P Vince | 1 | 2 |

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**CURRICULUM & STANDARDS COMMITTEE**

The Curriculum & Standards Committee is also a Core Committee of the main Board of Directors. During the 2019-20 academic year, the Committee was only able to meet on one occasion, and we were unable to achieve the requisite three director membership. This highlights the urgent, on-going need for recruitment of Directors with school improvement experience to the Board.

As a short-term solution to this issue, the CSEL, working with the Chair of the Committee have worked between the Principals and Head of School Committee and the Board to ensure there is regular reporting on compliance, improvement and enrichment work across Lumen Christi. Principals focussed on securing strong pastoral and academic provision for all and in particular provision for vulnerable and key worker children during the period of school closures and phased re-opening. The Lumen Christi knowledge-based curriculum and the partnership with Pathfinder supported this work.

| Director | Meetings attended | Out of a possible |
|----------|-------------------|-------------------|
| M Hill | 1 | 1 |
| P Vince | - | 1 |

Review of Value for Money

As Accounting Officer, the Catholic Senior Executive Lead has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Increasing opportunities for collaborative purchasing and procurement
- Negotiation of favourable rates for required services for professional services and subscriptions
- Increasing collaborative training for staff and directors
- Ongoing review of contract renewal dates and costs.
- Reciprocal arrangements for IRO, performance management support and and peer to peer review work.
- Added value (specialist multi-agency staff) in pastoral provision for schools through engagement with Pathfinder project
- Utilisation of Government procurement framework

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Lumen Christi Catholic Multi Academy Company for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

A thorough review of the statement of Internal Control has been completed by the Audit Committee.

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 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 Directors.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**The Risk and Control Framework**

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

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

The Board of Directors has considered the need for a specific internal audit function and has decided to appoint an Independent Reviewing Officer on a Reciprocal basis to carry out the programme of internal checks.

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

- payroll systems
- income reconciliation
- purchase systems
- bank account access
- control account/bank reconciliations

The Principal Finance Officer undertakes themed testing on all areas to provide additional control checking of systems in place.

On a termly basis, The reviewer reports to the Board of Directors through the audit committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

As a result of any findings a system of regular updates to the Lumen Christi Catholic Multi Academy Financial Procedures manual is completed to address any potential area of weaknesses.

Review of Effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust 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 Directors 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 20 January 2021 and signed on their behalf, by:



.....
P Vince
Chair



.....
C Madden
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Lumen Christi Catholic Multi Academy Company I have considered my responsibility to notify the academy trust board of directors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 multi academy trust board of directors are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 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 the ESFA.



.....
C Madden
Accounting Officer

20 January 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

The directors (who act as directors of the Lumen Christi Catholic Multi Academy Company and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 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 academy will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Lumen Christi Catholic Multi Academy Company's transactions and disclose with reasonable accuracy at any time the financial position of the Lumen Christi Catholic Multi Academy 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 directors are responsible for ensuring that in its conduct and operation the Lumen Christi Catholic Multi Academy Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of directors on 20 January 2021 and signed on its behalf by:



.....
P Vince
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMEN CHRISTI CATHOLIC MULTI ACADEMY COMPANY FOR THE YEAR ENDED 31 AUGUST 2020**Opinion**

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

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

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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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

The directors are responsible for the other information. The other information comprises the information included in the directors' report, governance statement, statement on regularity propriety and compliance and statement of directors responsibilities 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMEN CHRISTI CATHOLIC MULTI ACADEMY COMPANY FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Other information (cont'd)**

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 20, the directors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors 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 directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUMEN CHRISTI CATHOLIC MULTI ACADEMY COMPANY FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Auditor's responsibilities for the audit of the financial statements (cont'd)**

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

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

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



Malcolm Winston

Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP, Statutory Auditor

9-11 Vittoria Street

Birmingham

B1 3ND

20 January 2021

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LUMEN CHRISTI CATHOLIC MULTI ACADEMY COMPANY AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 28 July 2020 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 the Lumen Christi Catholic Multi Academy Company 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.

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

Respective responsibilities of Lumen Christi Catholic Multi Academy Company's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Lumen Christi Catholic Multi Academy Company's funding agreement with the Secretary of State for Education dated 1 March 2012, 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 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Summary of the work undertaken was as follows:

- Analytical review of the Lumen Christi Catholic Multi Academy Company's general activities are within the multi academy trusts framework of authorities;
- Consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LUMEN CHRISTI CATHOLIC MULTI ACADEMY COMPANY AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Approach (cont'd)**

- Review of the general control environment for the Lumen Christi Catholic Multi Academy Company on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the multi academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the multi academy trust's delegated authorities;
- Formal representations obtained from the board of directors and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or directors;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or directors; and
- Review of income received in accordance with the activities permitted within the multi academy trust's charitable objectives.

Conclusion

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

UHY Hacker Young (Birmingham) LLP

Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

20 January 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020
(Including Income and Expenditure Account)

| | | Unrestricted | Restricted | Restricted | Total | Total |
|--|------|--------------|-----------------|--------------|-----------------|----------------|
| | Note | Funds | General | Fixed | 2020 | 2019 |
| | | £'000 | Funds | Asset | £'000 | £'000 |
| | | | £'000 | Funds | | |
| | | | | £'000 | | |
| Income from: | | | | | | |
| Donations and capital grants | 3 | 146 | - | 242 | 388 | 194 |
| Transferred from Local Authority on conversion | 3&32 | | (1,321) | 25 | (1,296) | - |
| Charitable activities: | | | | | | |
| - Funding for the academy trust's educational operations | 4 | - | 15,952 | - | 15,952 | 13,560 |
| Other trading activities | 5 | 154 | - | - | 154 | 191 |
| Investment income | 6 | 6 | - | - | 6 | 4 |
| Total | | 306 | 14,631 | 267 | 15,204 | 13,949 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 16 | - | - | 16 | 31 |
| Charitable activities: | | | | | | |
| - Academy trust's educational operations | 7 | - | 16,275 | 119 | 16,394 | 13,950 |
| Total | | 16 | 16,275 | 119 | 16,410 | 13,981 |
| Net income/(expenditure) | | 290 | (1,644) | 148 | (1,206) | (32) |
| Transfers between funds | 17 | (130) | (8) | 138 | - | - |
| Other recognised gains and losses | | | | | | |
| Actuarial loss on defined benefit pension schemes | 28 | - | (1,998) | - | (1,998) | (1,318) |
| Net movement in funds | | 160 | (3,650) | 286 | (3,204) | (1,350) |
| Reconciliation of funds | | | | | | |
| Total funds as previously stated b/fwd | 17 | - | - | - | - | 21,402 |
| Prior year adjustment | 31 | - | - | - | - | (27,688) |
| Total funds as restated b/fwd | 17 | 727 | (9,138) | 775 | (7,636) | (6,286) |
| Total funds carried forward | 17 | 887 | (12,788) | 1,061 | (10,840) | (7,636) |

All of the Lumen Christi Catholic Multi Academy Company's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2019

| | Note | 2020 £'000 | 2019 £'000 |
|---|------|-----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 13 | <u>1,080</u> | <u>854</u> |
| | | <u>1,080</u> | <u>854</u> |
| Current assets | | | |
| Debtors | 14 | 518 | 509 |
| Cash at bank and in hand | | <u>3,017</u> | <u>1,713</u> |
| | | <u>3,535</u> | <u>2,222</u> |
| Current liabilities | | | |
| Creditors: Amounts falling due within one year | 15 | <u>(1,885)</u> | <u>(1,084)</u> |
| Net current assets | | <u>1,650</u> | <u>1,138</u> |
| Total assets less current liabilities | | <u>2,730</u> | <u>1,992</u> |
| Creditors: Amounts falling due after more than one year | 16 | (14) | (9) |
| Net assets excluding pension liability | | <u>2,716</u> | <u>1,983</u> |
| Defined benefit pension scheme liability | 28 | (13,556) | (9,619) |
| Total Net Liabilities | | <u>(10,840)</u> | <u>(7,636)</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| - Fixed asset fund | 17 | 1,061 | 775 |
| - Restricted income fund | 17 | 768 | 481 |
| - Pension reserve | 17 | <u>(13,556)</u> | <u>(9,619)</u> |
| Total Restricted Funds | | <u>(11,727)</u> | <u>(8,363)</u> |
| Unrestricted income fund | 17 | <u>887</u> | <u>727</u> |
| Total Unrestricted Funds | | <u>887</u> | <u>727</u> |
| Total Funds | | <u>(10,840)</u> | <u>(7,636)</u> |

The financial statements on pages 26 to 47 were approved by the directors and authorised for issue on 20 January 2021 and signed on their behalf by:



P Vince
Chair

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|---|-------|---------------|---------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 21 | 1,368 | 560 |
| Cash flows from investing activities | 22 | (72) | (182) |
| Cash flows from financing activities | 23 | 8 | 9 |
| Change in cash and cash equivalents in the reporting period | | <u>1,304</u> | <u>387</u> |
| | | | |
| Cash and cash equivalents at 1 September | 24 | 1,713 | 1,326 |
| Cash and cash equivalents at 31 August | 24 | <u>3,017</u> | <u>1,713</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**1 Statement of Accounting Policies**

A summary of 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.

Lumen Christi Catholic Multi Academy Company meets the definition of a public benefit entity under FRS 102.

Conversion to an Academy Trust

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

The assets and liabilities transferred on conversion from St Thomas More Catholic Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 32

Going Concern

The directors 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 directors 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.

The directors acknowledge that the academy has net liabilities of £10,840,000 at 31 August 2020 (2019 : £7,636,000), however this is driven by the transfer out of church land and buildings and the defined benefit pension scheme liability. This is a long term liability which provides no immediate cash pressure for the academy; parliament has also previously guaranteed that they would meet any outstanding local government pension liabilities in the event of academy closure. The academy has operational reserves of £1,655,000 at 31 August 2020 (2019 : £1,208,000) which is the key indicator of the academy's ability to continue as a going concern.

Income

All incoming resources are recognised when the Lumen Christi Catholic Multi Academy Company 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.

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

- **Sponsorship income**

Sponsorship income provided to the Lumen Christi Catholic Multi Academy Company which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

Income (cont'd)

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

- **Transfers on conversion**

Where assets are received by the 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 trust. An equal amount of income is recognised as a transfer on conversion 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.

- **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.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Where academies are operating under a licence to occupy, the land and buildings are not recognised as fixed assets in the financial statements. This applies to the majority of the land and buildings occupied by Lumen Christi Multi Academy Company whereby it does not own any of the sites.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Tangible Fixed Assets (cont'd)**

The schools sites are owned by Birmingham Roman Catholic Diocesan Trustees and are made available to the schools by a Church Supplemental Agreement. Birmingham Roman Catholic Diocesan Trustees have given an undertaking to the Secretary of State that they will not give the multi academy company less than two years notice to terminate the occupation of the land and buildings.

The multi academy company occupies some land (playing fields) under 125 year leases with Birmingham City Council. Depreciation on the land is charged directly to the restricted fixed assets fund in the Statement of Financial Activities over the life of the leasehold.

Depreciation is provided on a straight line basis (except for motor vehicles which is on a reducing balance basis) on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for assets are:

| | |
|---------------------------------|----------------------|
| Leasehold land | 0.8% |
| Site improvements | 2% |
| Fixtures and fittings | 10% |
| Computer equipment and software | 33.33% |
| Motor vehicles | 20% reducing balance |

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

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.

Leased assets

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

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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instrument, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The Lumen Christi Catholic Multi Academy Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the multi academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Lumen Christi Catholic Multi Academy Company 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 a 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**Pensions Benefits (cont'd)**

The LGPS is a multi funded employer scheme and the assets are held separately from those of the Lumen Christi Catholic Multi Academy Company 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 the scheme introductions, benefit changes, settlements and curtailments.

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the directors. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

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

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

Critical areas of judgement

The critical judgements that the Directors have made in the process of applying the Lumen Christi Catholic Multi Academy Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants and accounting for the pension liability. Government grants are accounted for as restricted funds when there is entitlement. The pension liability is assessed by an independent actuarial valuation.

In assessing whether there have been any indicators of impairment assets, the Directors 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 impairments identified during the current financial year.

Agency arrangements

The Lumen Christi Catholic Multi Academy Company acts as an agent in distributing 16-19 bursary funds from ESFA. Payments are received from the 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

Agency arrangements (cont'd)

The Company 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 within the short-term creditors note as other creditors.

Lumen Christi Catholic Multi Academy Company acts as an agent for the Police and Schools Panel South. It holds cash on behalf of the Panel and settles its expenses using this cash; it also sends out the Panel's sales invoices and collects the remittances. Amounts collected for the panel do not belong to the MAC and are accounted for separately to the MAC's income, along with its expenditure. The Panel's cash is held with the MAC's but does not belong to the Lumen Christi Catholic Multi Academy Company. The Lumen Christi Catholic Multi Academy Company does not have any liability to settle the Panel's debts.

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Lumen Christi Catholic Multi Academy Company was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020 (see note 17).

3 DONATIONS AND CAPITAL GRANTS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2020 £'000 | Total 2019 £'000 |
|-------------------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| DfE/ESFA capital grants | - | 242 | 242 | 175 |
| LA fixed assets reserve transferred | - | 25 | 25 | - |
| LA LGPS pension deficit transferred | - | (1,334) | (1,334) | - |
| School Fund | - | 13 | 13 | - |
| Other Donations | 146 | - | 146 | 19 |
| | 146 | (1,054) | (908) | 194 |

The income from donations and capital grants was £908,000 deficit (2019: £194,000 surplus) of which £146,000 (2019: £11,000) was unrestricted, £1,321,000 deficit (2019: £8,000) restricted and £267,000 (2019: £175,000) restricted fixed assets.

4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2020 £'000 | Total 2019 £'000 |
|--|--------------------------------|------------------------------|------------------------|------------------------|
| DfE/ESFA grants | | | | |
| General annual grant (GAG) (note 2) | - | 13,367 | 13,367 | 11,664 |
| Pupil premium grant | - | 1,180 | 1,180 | 1,040 |
| Teachers pay grant | - | 158 | 158 | 92 |
| Teachers pension grant | - | 458 | 458 | - |
| Other DfE/ESFA grants | - | 437 | 437 | 453 |
| | - | 15,600 | 15,600 | 13,249 |
| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2019 £'000 | Total 2019 £'000 |
| Other Government grants | | | | |
| Local authority grants | - | 336 | 336 | 300 |
| | - | 336 | 336 | 300 |
| Exceptional Government funding | | | | |
| Coronavirus Job Retention Scheme grant | - | - | - | - |
| Coronavirus exceptional support | - | 16 | 16 | - |
| Other Coronavirus funding | - | - | - | - |
| | - | 16 | 16 | - |
| Other income from the academy trust's educational operations: | | | | |
| Other grants | - | - | - | 11 |
| | - | - | - | 11 |
| | - | 15,952 | 15,952 | 13,560 |

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 £16,370 of additional cleaning costs. These costs are included in notes 7 and 8.

The income from the academy trusts' educational operations was restricted for both 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

| 5 OTHER TRADING ACTIVITIES | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2020 £'000 | Total 2019 £'000 |
|----------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Hire of facilities | 14 | - | 14 | 30 |
| Other income | 140 | - | 140 | 161 |
| | <u>154</u> | <u>-</u> | <u>154</u> | <u>191</u> |

The income from the academy trusts' other trading activities was unrestricted for both 2020 and 2019.

| 6 INVESTMENT INCOME | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2020 £'000 | Total 2019 £'000 |
|------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Bank interest received | 6 | - | 6 | 4 |
| | <u>6</u> | <u>-</u> | <u>6</u> | <u>4</u> |

The income from the academy trusts's investment income was unrestricted for both 2020 and 2019.

| 7 EXPENDITURE | Staff Costs £'000 | Non Pay Expenditure | | Total 2020 £'000 | Total 2019 £'000 |
|----------------------------------|----------------------|---------------------|----------------------|------------------------|------------------------|
| | | Premises £'000 | Other Costs £'000 | | |
| Expenditure on raising funds | - | - | 7 | 7 | 30 |
| - Direct costs | - | - | 7 | 7 | 30 |
| - Allocated support costs | - | - | 9 | 9 | 1 |
| | <u>-</u> | <u>-</u> | <u>16</u> | <u>16</u> | <u>31</u> |
| Academy's educational operations | | | | | |
| - Direct costs | 11,477 | - | 756 | 12,233 | 10,087 |
| - Allocated support costs | 2,315 | 797 | 1,049 | 4,161 | 3,863 |
| | <u>13,792</u> | <u>797</u> | <u>1,805</u> | <u>16,394</u> | <u>13,950</u> |
| | <u>13,792</u> | <u>797</u> | <u>1,821</u> | <u>16,410</u> | <u>13,981</u> |

The expenditure was £16,410,000 (2019: £13,981,000) of which £16,000 (2019: £130,000) was unrestricted, £16,275,000 (2019: £13,739,000) restricted and £119,000 (2019: £112,000) restricted fixed assets.

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Net income/(expenditure) for the year includes: | | |
| Operating leases rentals | 20 | 45 |
| Depreciation | 119 | 112 |
| Fees payable to auditor for: | | |
| - audit | 16 | 15 |
| - other services | 4 | 2 |

| 8 CHARITABLE ACTIVITIES | Total 2020 £'000 | Total 2019 £'000 |
|--|------------------------|------------------------|
| Direct costs - educational operations | 12,233 | 10,087 |
| Support costs - educational operations | 4,161 | 3,863 |
| | <u>16,394</u> | <u>13,950</u> |
| | Total | Total |
| | 2020 | 2019 |
| | £'000 | £'000 |
| Analysis of Support Costs | | |
| Support staff costs | 2,315 | 2,222 |
| Depreciation | 119 | 112 |
| Technology costs | 175 | 140 |
| Premises costs | 678 | 530 |
| Other support costs | 840 | 793 |
| Governance costs | 34 | 66 |
| | <u>4,161</u> | <u>3,863</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

9 STAFF COSTS**a Staff costs**

Staff costs during the year were:

Wages and salaries

Social security costs

Pension costs

Agency staff costs

Staff restructuring costs

Staff restructuring costs comprise:

Redundancy payments

Severance payments

Other restructuring costs

| | Total 2020 £'000 | Total 2019 £'000 |
|-------------------------------------|------------------------|------------------------|
| Wages and salaries | 9,597 | 8,209 |
| Social security costs | 1,010 | 779 |
| Pension costs | 3,006 | 2,304 |
| | <u>13,613</u> | <u>11,292</u> |
| Agency staff costs | 172 | 181 |
| Staff restructuring costs | 7 | 6 |
| | <u>13,792</u> | <u>11,479</u> |
| Staff restructuring costs comprise: | | |
| Redundancy payments | - | - |
| Severance payments | 7 | 3 |
| Other restructuring costs | - | 3 |
| | <u>7</u> | <u>6</u> |

b Staff severance payments

Included in staff restructuring costs there are no non statutory/non contractual severance payments totalling £Nil (2019: £2,900).

c Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the year ended 31 August 2020 was as follows:

| | 2020 No | 2019 No |
|------------------------------|------------|------------|
| Charitable Activities | | |
| Teachers | 131 | 125 |
| Administration and support | 224 | 193 |
| Management | 28 | 26 |
| | <u>383</u> | <u>344</u> |

d Higher paid staff

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

| | 2020 No | 2019 No |
|--------------------|------------|------------|
| £60,001 - £70,000 | 8 | 5 |
| £70,001 - £80,000 | - | 1 |
| £80,001 - £90,000 | 2 | - |
| £90,001 - £100,000 | 1 | 2 |
| | <u>1</u> | <u>2</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

9 STAFF COSTS (cont'd)**e Key management personnel**

The key management of the Lumen Christi Catholic Multi Academy Company comprise the directors and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,249,349 (2019: £1,002,463).

10 CENTRAL SERVICES

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

- financial reporting and associated licensing costs;
- company secretarial;
- governance and strategic direction;
- insurance procurement;
- collaborative training;
- collaborative subscriptions.

Lumen Christi Catholic Multi Academy Company charges 3.59% of total GAG income for these services.

| | 2020 | 2019 |
|---|------------|------------|
| | £'000 | £'000 |
| The actual amounts charged during the year were as follows: | | |
| St Brigid's Catholic Primary School | 60 | 60 |
| St Columba's Catholic School | 35 | 36 |
| St James Catholic Primary School | 33 | 33 |
| St Joseph's Catholic Primary School | 32 | 32 |
| St Paul's Catholic Primary School | 39 | 38 |
| St Thomas Aquinas Catholic School | 201 | 196 |
| St Thomas More Catholic Primary School | 56 | - |
| | <u>456</u> | <u>395</u> |

11 RELATED PARTY TRANSACTIONS - DIRECTORS' REMUNERATION AND EXPENSES

One or more directors or the Accounting Officer has been paid remuneration or has received other benefits from employment with Lumen Christi Catholic Multi Academy Company. The Accounting Officer and other staff directors only receive remuneration in respect of services provided undertaking the roles of Accounting Officer and staff members under their contracts of employment. The value of director's remuneration and other remuneration was as follows:

C Madden (Accounting Officer)

| | | |
|---------------------------------|--------------------|----------------------------|
| Remuneration | £95,000 - £100,000 | (2019: £95,000 - £100,000) |
| Employers pension contributions | £20,000 - £25,000 | (2019: £15,000 - £20,000) |

Louise Dore (Staff - resigned 31 August 2019))

| | | |
|---------------------------------|------|---------------------------|
| Remuneration | £Nil | (2019: £25,000 - £30,000) |
| Employers pension contributions | £Nil | (2019: £5,000 - £10,000) |

During the year ended 31 August 2020, expenses totalling £Nil (2019: £1,993) were reimbursed to Nil Directors (2019: 2).

Other related party transactions including directors are set out in note 28.

12 DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect directors' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the Governors and Officers indemnity from the overall cost of the insurance premium. The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

13 TANGIBLE FIXED ASSETS

| | Leasehold Land & Buildings | Site Improve- ments | Furniture & Equipment | Computer Equipment | Motor Vehicles | Assets Under Construction | Total |
|-----------------------|----------------------------------|---------------------------|--------------------------|-----------------------|-------------------|---------------------------------|-------|
| Cost | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 September 2019 | 54 | 271 | 429 | 459 | 50 | 107 | 1,370 |
| Additions | - | 183 | 24 | 77 | - | 61 | 345 |
| Transfers | - | 107 | - | - | - | (107) | - |
| At 31 August 2020 | 54 | 561 | 453 | 536 | 50 | 61 | 1,715 |
| Depreciation | | | | | | | |
| At 1 September 2019 | 2 | 7 | 104 | 371 | 32 | - | 516 |
| Charged in year | - | 12 | 40 | 58 | 9 | - | 119 |
| Disposals | - | - | - | - | - | - | - |
| At 31 August 2020 | 2 | 19 | 144 | 429 | 41 | - | 635 |
| Net book value | | | | | | | |
| At 31 August 2020 | 52 | 542 | 309 | 107 | 9 | 61 | 1,080 |
| At 31 August 2019 | 52 | 264 | 325 | 88 | 18 | 107 | 854 |

14 DEBTORS

| | 2020 £'000 | 2019 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 12 | 41 |
| VAT recoverable | 173 | 87 |
| Prepayments and accrued income | 333 | 381 |
| | 518 | 509 |

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £'000 | 2019 £'000 |
|--------------------------------------|---------------|---------------|
| Trade creditors | 212 | 440 |
| Other creditors | 49 | 93 |
| Salix loans | 3 | 1 |
| Taxation & social security | 1,126 | - |
| Accruals | 309 | 399 |
| Deferred income | 186 | 151 |
| | 1,885 | 1,084 |
| Deferred Income | | |
| Deferred income at 1 September 2019 | 151 | 230 |
| Resources deferred in the year | 186 | 151 |
| Amounts released from previous years | (151) | (230) |
| Deferred income at 31 August 2020 | 186 | 151 |

At the balance sheet date the academy was holding funds received in advance for 2020/21 for Pathfinder Strategic Support £Nil (2019: £21,200), Universal Free School Meals £103,651 (2019: £85,909), Rates Relief £29,082 (2019: £25,239) and other amounts £53,901 (2019: £18,640).

16 CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR

| | 2020 £'000 | 2019 £'000 |
|-------------|---------------|---------------|
| Salix loans | 14 | 9 |
| | 14 | 9 |

A Salix loan of £11,552 was taken out during 2017/18 is interest free and is repayable in equal installments over 8 years. A further Salix loan has been taken out for £8,480 on 19 June 2020 and is also interest free and repayable in equal installments over 8 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

17 FUNDS

The income funds of the academy applied for specific purposes are as follows:

| | Balance at 1 September 2019 £'000 | Incoming Resources £'000 | Resources Expended £'000 | Gains, Losses & Transfers £'000 | Balance at 31 August 2020 £'000 |
|--|--|--------------------------------|--------------------------------|--|--|
| Restricted general funds | | | | | |
| General annual grant (GAG) (note i) | 385 | 13,367 | (12,996) | (8) | 748 |
| Pupil premium grant (note ii) | - | 1,180 | (1,180) | - | - |
| Other DfE/ESFA (note iii) | 88 | 1,053 | (1,141) | - | - |
| Local authority grants (note iv) | - | 336 | (336) | - | - |
| Other grants (note v) | - | 16 | (16) | - | - |
| School fund (note vi) | 8 | 13 | (1) | - | 20 |
| Total general funds | 481 | 15,965 | (15,670) | (8) | 768 |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants (note vii) | 425 | 242 | (81) | - | 586 |
| Fixed assets donation - (note vii) | 32 | 25 | (1) | - | 56 |
| Capital expenditure from GAG (note vii) | 318 | - | (37) | 138 | 419 |
| Total fixed asset funds | 775 | 267 | (119) | 138 | 1,061 |
| Restricted pension scheme liability | | | | | |
| Pension reserve (note viii) | (9,619) | (1,334) | (605) | (1,998) | (13,556) |
| | (9,619) | (1,334) | (605) | (1,998) | (13,556) |
| Total restricted funds | (8,363) | 14,898 | (16,394) | (1,868) | (11,727) |
| Unrestricted funds | | | | | |
| Unrestricted funds (note ix) | 727 | 306 | (16) | (130) | 887 |
| Total unrestricted funds | 727 | 306 | (16) | (130) | 887 |
| Total funds | (7,636) | 15,204 | (16,410) | (1,998) | (10,840) |

Notes

- i) GAG must be used for the normal running costs of the Lumen Christi Catholic Multi Academy Company. Under the funding agreement with the Secretary of State, the Lumen Christi Catholic Multi Academy Company was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2020 (see note 2).
- ii) Pupil premium grant has been used to support children from low income families placed in the MAC.
- iii) Grants received from the ESFA used to support expansion of the academy trust, teaching pay increases, free school meals, rates costs and PE costs.
- iv) Special needs grant has been used to support enhanced learning for children with special educational needs.
- v) Other grants relate to corona virus cleaning cost claims.
- vi) School funds are contributions received from parents which are used to support the MAC's activities.
- vii) Restricted fixed asset additions were funded by DfE/ESFA grants and transfers from restricted funds.
- viii) The pension reserve represents the deficit on the LGPS (see note 28).
- ix) Unrestricted funds represent those resources which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

17 FUNDS (cont'd)

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

| | Balance at 1 September 2018 As Restated £'000 | Incoming Resources As Restated £'000 | Resources Expended As Restated £'000 | Gains, Losses & Transfers As Restated £'000 | Balance at 31 August 2019 £'000 |
|--|---|---|---|---|--|
| Restricted general funds | 78 | 11,664 | (11,298) | (59) | 385 |
| General annual grant (GAG) (note i) | 78 | 11,664 | (11,298) | (59) | 385 |
| Pupil premium grant (note ii) | - | 1,040 | (1,040) | - | - |
| Other DfE/ESFA (note iii) | - | 545 | (457) | - | 88 |
| Local authority grants (note iv) | - | 300 | (300) | - | - |
| Other grants (note v) | - | 11 | (11) | - | - |
| School fund (note vi) | - | 8 | - | - | 8 |
| Total general funds | 78 | 13,568 | (13,106) | (59) | 481 |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants (note vii) | 329 | 175 | (79) | - | 425 |
| Fixed assets donation - BRCD (note vii) | 32 | - | - | - | 32 |
| Capital expenditure from GAG (note vii) | 200 | - | (33) | 151 | 318 |
| Total fixed asset funds | 561 | 175 | (112) | 151 | 775 |
| Restricted pension scheme liability | | | | | |
| Pension reserve (note viii) | (7,668) | - | (633) | (1,318) | (9,619) |
| | (7,668) | - | (633) | (1,318) | (9,619) |
| Total restricted funds | (7,029) | 13,743 | (13,851) | (1,226) | (8,363) |
| Unrestricted funds | | | | | |
| Unrestricted funds (note ix) | 743 | 206 | (130) | (92) | 727 |
| Total unrestricted funds | 743 | 206 | (130) | (92) | 727 |
| Total funds | (6,286) | 13,949 | (13,981) | (1,318) | (7,636) |
| TOTAL FUND ANALYSIS BY ACADEMY | | | | 2020 | 2019 |
| Fund balances at 31 August 2020 were allocated as follows: | | | | £'000 | £'000 |
| St Brigid's Catholic Primary School | | | | 282 | 196 |
| St Columba's Catholic School | | | | (30) | 64 |
| St James Catholic Primary School | | | | 178 | 146 |
| St Joseph's Catholic Primary School | | | | 101 | 133 |
| St Paul's Catholic Primary School | | | | (12) | (25) |
| St Thomas Aquinas Catholic School | | | | 1,024 | 613 |
| St Thomas More Catholic Primary School | | | | (30) | - |
| Lumen Christi | | | | 142 | 81 |
| Total before fixed assets and pension reserve | | | | 1,655 | 1,208 |
| Restricted fixed assets fund | | | | 1,061 | 775 |
| Pension reserve | | | | (13,556) | (9,619) |
| Total | | | | (10,840) | (7,636) |

Deficit recovery of St Columba, St Paul's and St Thomas More Catholic Primary Schools will be managed by;

- The development of school level plans using integrated curriculum and financial planning tools to match curriculum delivery models to the financial resources available;
- Focus on marketing to maximise admissions and return to full capacity as soon as possible
- Reduction of staff numbers through natural turnover, recruitment freeze and restructuring;
- Reduction in non-staffing expenditure by centralising procurement in key expenditure areas and restricting spending within each academy;
- Improved monitoring through central processing and decision making
- Review of long-term maintenance plans and funding of plans;
- Engagement all of the Senior Leadership Team and other senior staff in the delivery of these savings.

All schools are expected to be returning to a positive financial position within 2 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

17 FUNDS (cont'd)

TOTAL COST ANALYSIS BY ACADEMY

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

| | Teaching and Educational Support Staff Costs | Other Support Staff Costs | Educational Supplies | Other Costs (excluding Deprec'n) | Total 2020 | Total 2019 |
|-------------------|---|------------------------------------|-------------------------|---|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| St Brigid's | 1,551 | 324 | 91 | 219 | 2,185 | 2,034 |
| St Columba's | 875 | 217 | 78 | 180 | 1,350 | 1,216 |
| St James | 792 | 161 | 43 | 109 | 1,105 | 1,122 |
| St Joseph's | 819 | 161 | 54 | 120 | 1,154 | 1,120 |
| St Paul's | 1,031 | 186 | 72 | 149 | 1,438 | 1,448 |
| St Thomas Aquinas | 4,829 | 853 | 323 | 650 | 6,655 | 6,467 |
| St Thomas More | 1,444 | 251 | 80 | 171 | 1,946 | - |
| Lumen Christi | 136 | 162 | 22 | 138 | 458 | 462 |
| Total | 11,477 | 2,315 | 763 | 1,736 | 16,291 | 13,869 |

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by:

| | Unrestricted Funds | Pension School Fund Restricted Funds | Restricted Funds | General Restricted Funds | Fixed Assets Restricted Funds | Total |
|--------------------------|-----------------------|--|---------------------|--------------------------------|--|-----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | - | - | - | - | 1,080 | 1,080 |
| Current assets | 887 | - | 20 | 2,588 | 40 | 3,535 |
| Current liabilities | - | - | - | (1,826) | (59) | (1,885) |
| Non current liabilities | - | - | - | (14) | - | (14) |
| Pension scheme liability | - | (13,556) | - | - | - | (13,556) |
| | 887 | (13,556) | 20 | 748 | 1,061 | (10,840) |

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:

| | Unrestricted Funds | Pension School Fund Restricted Funds | Restricted Funds | General Restricted Funds | Fixed Assets Restricted Funds | Total |
|--------------------------|-----------------------|--|---------------------|--------------------------------|--|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | - | - | - | - | 854 | 854 |
| Current assets | 727 | - | 8 | 1,566 | (79) | 2,222 |
| Current liabilities | - | - | - | (1,084) | - | (1,084) |
| Non current liabilities | - | - | - | (9) | - | (9) |
| Pension scheme liability | - | (9,619) | - | - | - | (9,619) |
| | 727 | (9,619) | 8 | 473 | 775 | (7,636) |

19 CAPITAL COMMITMENTS

| | 2020 | 2019 |
|--|-------|-------|
| | £'000 | £'000 |
| Contracted for, but not provided in the financial statements | 30 | 121 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

20 COMMITMENTS UNDER OPERATING

LEASES *Operating leases*

At 31 August 2020 the total of the Lumen Christi Catholic Multi Academy Company's future minimum lease payments under non-cancellable operating leases was:

| | 2020 Other £'000 | 2019 Other £'000 |
|--|------------------------|------------------------|
| Amounts due within one year | 13 | 20 |
| Amounts due between one and five years | 2 | 13 |
| | <u>15</u> | <u>33</u> |

21 RECONCILIATION OF NET EXPENDITURE TO CASH FLOW FROM OPERATING ACTIVITIES

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Net expenditure for the reporting period (as per the statement of financial activities) | (1,206) | (32) |
| Adjusted for: | | |
| Depreciation (note 13) | 119 | 112 |
| LGPS pension deficit transfer (note 32) | 1,334 | - |
| LA fixed assets transfer (note 32) | (25) | - |
| Capital grants from DfE and other capital income | (242) | (175) |
| Interest receivable | (6) | (4) |
| Defined benefit pension scheme cost less contributions payable (note 28) | 407 | 440 |
| Defined benefit pension scheme finance cost (note 28) | 198 | 193 |
| Increase in debtors | (9) | (70) |
| Increase in creditors | 798 | 96 |
| Net cash provided by operating activities | <u>1,368</u> | <u>560</u> |

22 CASH FLOWS FROM INVESTING ACTIVITIES

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Interest received | 6 | 4 |
| Purchase of tangible fixed assets | (345) | (361) |
| LA fixed assets transfer | 25 | - |
| Capital grants from DfE/EFA | 242 | 175 |
| Net cash used in investing activities | <u>(72)</u> | <u>(182)</u> |

23 CASH FLOWS FROM FINANCING ACTIVITIES

| Repayments of borrowing | (2) | (1) |
|--|----------|----------|
| Cash inflows from new borrowing | 10 | 10 |
| Net cash provided by financing activities | <u>8</u> | <u>9</u> |

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

| | At 31 Aug 2020 £'000 | At 31 Aug 2019 £'000 |
|--|----------------------------|----------------------------|
| Cash in hand and at bank | 3,017 | 1,713 |
| Total cash and cash equivalents | <u>3,017</u> | <u>1,713</u> |

25 ANALYSIS OF CHANGES IN NET DEBT

| | At 1 September 2019 £'000 | Cash Flows £'000 | At 31 Aug 2020 £'000 |
|---------------------------------|---------------------------------|------------------------|----------------------------|
| Cash at bank | 1,713 | 1,304 | 3,017 |
| Overdraft | - | - | - |
| | <u>1,713</u> | <u>1,304</u> | <u>3,017</u> |
| Loans within one year | - | (3) | (3) |
| Loans within more than one year | (9) | (5) | (14) |
| | <u>1,704</u> | <u>1,312</u> | <u>3,000</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)**26 CONTINGENT LIABILITIES**

During the period of the funding agreement between the Lumen Christi Catholic Multi Academy Company and the Secretary of State, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Lumen Christi Catholic Multi Academy Company is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Lumen Christi Catholic Multi Academy Company serving notice, the Lumen Christi Catholic Multi Academy Company is obliged to repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the Lumen Christi Catholic Multi Academy Company's sites and premises and other assets held for the purpose of the Lumen Christi Catholic Multi Academy Company; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

27 MEMBERS' LIABILITY

Each member of the Lumen Christi Catholic Multi Academy Company undertakes to contribute to its assets 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 Lumen Christi Catholic Multi Academy Company'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 West Midlands Pension Fund. Both are defined multi employer benefit schemes.

As described in note 26 the LGPS obligation relates to the employees of the Lumen Christi Catholic Multi Academy Company, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the multi academy trust at the balance sheet date.

The total pension cost to the Lumen Christi Catholic Multi Academy Company during the year ended 31 August 2020 was £3,006,000 (2019: £2,304,000) of which £1,453,000 (2019: £875,000) relates to the TPS and £1,553,000 (2019: £1,429,000) relates to LGPS.

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

Contributions amounting to £245,385 were payable to the schemes at 31 August 2020 (2019: £Nil) and are included within taxation and social security.

Teachers' Pension Scheme**Introduction**

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)**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 employers costs paid to TPS in the period amounted to £1,453,000 (2019: £875,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2020 was £1,741,000 (2019: £1,596,000) of which employers contributions totalled £1,553,000 (2019: £1,429,000) and employees contributions totalled £188,000 (2019: £167,000). The agreed contributions for future years is an average of 21.1% (2019: 21.1%) for employers and a minimum of 5.5% to 7.5% (2019: 5.5% to 7.5%) for employees.

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

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

| | At 31 August 2020 | At 31 August 2019 |
|------------------|----------------------|----------------------|
| | % per annum | % per annum |
| Discount rate | 1.6% | 1.9% |
| Salary increases | 3.2% | 3.7% |
| Pension increase | 2.2% | 2.2% |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Principal Actuarial Assumptions (cont'd)

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

| | At 31 August 2020 Approx Change to Employers Liability £'000 | At 31 August 2019 Approx Change to Employers Liability £'000 |
|---|--|--|
| Discount rate reduced by 0.1% per annum | 563 | 386 |
| Salary increase rate increased by 0.1% | 66 | 62 |
| Pension increase rate increased by 0.1% | 521 | 321 |

The mortality assumptions used were as follows:

| | At 31 August 2020 years | At 31 August 2019 years |
|--|-------------------------------|-------------------------------|
| Longevity at age 65 retiring today | | |
| - Men | 21.9 | 20.9 |
| - Women | 24.1 | 23.2 |
| Longevity at age 65 retiring in 20 years | | |
| - Men | 23.8 | 22.6 |
| - Women | 26.0 | 25.1 |

Lumen Christi Catholic Multi Academy Company's share of the assets in the scheme were:

| | Fair value at 31 August 2020 £'000 | Fair value at 31 August 2019 £'000 |
|--------------------------------------|--|--|
| Equity instruments | 4,433 | 3,040 |
| Debt instruments | 1,162 | 671 |
| Property | 595 | 413 |
| Cash and other liquid assets | 524 | 183 |
| Other assets | 1,177 | 752 |
| Total market value of assets | 7,891 | 5,059 |
| Present value of scheme liabilities: | | |
| - Funded | (7,891) | (5,059) |
| - Unfunded | (13,556) | (9,619) |
| Total liabilities | (21,447) | (14,678) |
| Deficit in the scheme | (13,556) | (9,619) |

The actual return on the scheme assets in the year was £634,000 (2019: £349,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020 (cont'd)

28 PENSION AND SIMILAR OBLIGATIONS (cont'd) Amounts

recognised in the Statement of Financial Activities:

| | 2020 £'000 | 2019 £'000 |
|--|-----------------------|-----------------------|
| Current service cost | 1,318 | 976 |
| Past service cost | 37 | 258 |
| Administration expenses | - | 2 |
| Interest income | (122) | (142) |
| Interest cost | 320 | 335 |
| Total operating charge | 1,553 | 1,429 |
| Changes in deficit during the year: | £'000 | £'000 |
| Balance at 1 September 2019 | 9,619 | 7,668 |
| Balance at admission date | 1,334 | - |
| Movement in year: | | |
| - Employer service cost (net of employee contributions) | 1,355 | 1,234 |
| - Employer contributions | (948) | (796) |
| - Expected return on scheme assets | (122) | (142) |
| - Interest cost | 320 | 335 |
| - Administration expenses | - | 2 |
| - Actuarial losses | 1,998 | 1,318 |
| Deficit in the scheme at 31 August 2020 | 13,556 | 9,619 |
| Changes in the present value of defined benefit obligations were as follows: | 2020 £'000 | 2019 £'000 |
| Balance at 1 September 2019 | 15,777 | 12,580 |
| Scheme liabilities at admission date | 1,334 | - |
| Current service cost | 1,318 | 976 |
| Past service cost | 37 | 258 |
| Interest cost | 320 | 335 |
| Contributions by scheme participants | 188 | 167 |
| Benefits paid | (128) | (64) |
| Actuarial losses | 2,601 | 1,525 |
| Scheme liabilities at 31 August 2020 | 21,447 | 15,777 |
| Changes in the fair value of the Lumen Christi Catholic Multi Academy Company's share of scheme assets: | £'000 | £'000 |
| Balance at 1 September 2019 | 6,158 | 4,912 |
| Scheme assets at admission date | - | - |
| Expected return on scheme assets | 122 | 142 |
| Actuarial gains | 603 | 207 |
| Contributions by employer | 948 | 796 |
| Benefits paid | (128) | (64) |
| Administration expenses | 0 | (2) |
| Contributions by scheme participants | 188 | 167 |
| Fair value of scheme assets at 31 August 2020 | 7,891 | 6,158 |

The estimated value of employer contributions for the year ended 31 August 2021 is £976,000 (2020: £803,000)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**29 RELATED PARTY TRANSACTIONS**

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

Other than those transactions already disclosed in the Directors' remuneration and expenses note 11, no other related party transactions took place during the period with the Directors. No amounts are owed to or due from the Directors as at 31 August 2020.

The Lumen Christi Catholic Multi Academy is connected to the Newman University (05493384) as a result of Rev D E C Evans being a Director of both organisations. During the year the MAC received £7,806 (2018: £7,024) of income from Newman University, for Aim Higher funding and student PGCE placements. The MAC also made a payment of £Nil (2019: £2,500) for staff courses during the year. There were no balances outstanding at the year end.

The Lumen Christi Catholic Multi Academy is connected to the Barberi and Newman Academy Trust (Company number 08183803) by virtue of it being a member during the period. There were nil (2019 : Nil) transactions between the two entities during the year and no balances outstanding.

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2019.

30 AGENCY ARRANGEMENTS

The Academy Company distributes 16-19 bursary funds to students as an agent for ESFA. During the year ending 31 August 2020 Lumen Christi Catholic Multi Academy Company received £14,872 (2019: £16,529) and disbursed £11,418 (2019: £16,515) from the fund. An amount of £19,925 (2019: £16,471) is included in other creditors relating to undistributed funds that is repayable to ESFA.

During the year Lumen Christi Catholic Multi Academy Company acted as an agent for the Police and Schools Panel South. It holds cash on behalf of the Panel and settles its expenses using this cash; it also sends out the Panel's sales invoices and collects the remittances. At 31 August 2020 the Academy Company held £28,169 (2019: £18,083) of cash on behalf of the Panel; a matching liability is included within other creditors. During the year £74,804 (2019: £73,926) of sales and £64,718 (2019: £72,277) of expenses were administered for the Panel.

31 PRIOR YEAR ADJUSTMENT

Following a change to the Academies Accounts Direction land and buildings accounting policy in 2016/17, which concluded that where an Academy Trust does not have control over its land and buildings, either because of the Church's ultimate right to determine access, or because of the Church's right to consent to works, including capital works, or for other reasons, then the land and buildings would not meet the definition of an asset of the academy trust.

Lumen Christi Multi Academy Company occupies its land and buildings under a church supplemental agreement with Birmingham Roman Catholic Diocesan Trustees. This agreement gives Lumen Christi Multi Academy Company a licence to occupy the land and buildings with an undertaking from the Church to provide no less than two years notice to terminate the occupation of the land and buildings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

31 PRIOR YEAR ADJUSTMENT (Cont'd)

As a result of Lumen Christi Multi Academy Company land and buildings not meeting the definition of an asset given in the Academies Accounts Direction because of the church's ultimate right to determine access, or consent to works, the prior year reserves and primary statements have been restated to reflect the material change to the land and building accounting policy, of not including land and buildings owned by the Church on the academy trusts balance sheet.

The effect of the change in the land and buildings accounting policy for the year ending 31 August 2019, has resulted in the cost of the land and buildings and accumulated depreciation being corrected by a prior year adjustment, which has decreased the net book value of the fixed assets by £27,688,000, the accumulated depreciation by £495,000 with a corresponding total adjustment to the fixed assets reserve of £28,183,000.

32 CONVERSION TO AN ACADEMY TRUST

On 1 September 2019 St Thomas More Catholic Primary School converted to Academy status under the Academies Act 2010. All the operations and assets and liabilities were transferred to Lumen Christe Catholic Multi academy Company from Birmingham City Council for nil consideration.

The transfers have been accounted for as a combination that is in subsistence a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/(loss) in the Statement of Financial Activities as donations transferred from local authority on conversion.

The following tables sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

St Thomas More Catholic Primary School

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Restricted Fixed Asset Funds £'000 | Total £'000 |
|---------------------------------|--------------------------------|------------------------------|---|----------------|
| Leasehold land and buildings | - | - | - | - |
| Budget surplus on LA funds | - | - | 25 | 25 |
| School Fund | - | 13 | - | 13 |
| LGPS pension deficit | - | (1,334) | - | (1,334) |
| Net assets/(liabilities) | - | (1,321) | 25 | (1,296) |

The above net assets/liabilities include £38k that were transferred as cash.

The school's land and buildings are owned by the Birmingham Roman Catholic Diocesan Trustees and are made available to the school by a Church Supplemental Agreement. Birmingham Roman Catholic Diocesan Trustees have given an undertaking to the Secretary of State that they will not give the multi academy company less than two years notice to terminate the occupation of the land and buildings. No land and buildings have therefore been recognised on the Trust's balance sheet following conversion.

33 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.