



Our Lady of Grace Catholic Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2021

**Company Registration Number:
09435396 (England and Wales)**

Our Lady of Grace Catholic Academy Trust

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Our Lady of Grace Catholic Academy Trust

Reference and Administrative Details

Members	Bishop A Williams The Brentwood Diocesan Trust Fr Stephen Myers
Trustees	J Anthony – Foundation Trustee M Coleman – Chair K Fernet – Foundation Trustee R Gabrasadig – Foundation Trustee E Okpanachi – Foundation Trustee C Warnick – Vice Chair S Webb – Foundation Trustee
Accounting Officer/CAO	G Hicks
Company Secretary	G Callegari
The Heads' Group Senior Leadership Team (SLT):	
Chief Accounting Officer	G Hicks
Chief Finance Officer	G Callegari
Headteacher (St Antony's)	A Moore (academy joined the Trust on 1 September 2020)
Headteacher (St Edward's)	P Underwood (appointed on 1 September 2020)
Headteacher (St Francis')	N Scott
Headteacher (St Helen's)	C Doherty (appointed on 1 September 2020)
Headteacher (St Joachim's)	J Allen
Company Name	Our Lady of Grace Catholic Academy Trust
Principal and Registered Office	Chargeable Lane, London, E13 8DW
Company Registration Number	09435396 (England and Wales)
Independent Auditor	Price Bailey LLP Causeway House 1 Dane Street Bishop's Stortford Herts CM23 3BT
Bankers	Lloyds Bank 39 Threadneedle Street London, EC2R 8AU
Solicitors	Winckworth Sherwood LLP Minerva House 5 Montague Close London, SE1 9BB

Our Lady of Grace Catholic Academy Trust

Trustees' Report

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Our Lady of Grace Catholic Academy Trust (the Trust or the Charitable Company) for the year from 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates for pupils aged 2-11 and includes five Primary Academies in Newham, in London (the Schools or the Academies) as follows:

- St Antony's Catholic Primary School (Academy Converter on 1 September 2020);
- St Edward's Catholic Primary School;
- St Francis' Catholic Primary School;
- St Helen's Catholic Primary School; and
- St Joachim's Catholic Primary School.

Our Academies have a combined pupil capacity of 2,010 (excluding part time places in nurseries and pre-school) and had a roll of 1,807 in the school census in January 2021 (2020 January census: 1,595 pupils on roll excluding the two new converters). The additional numbers on roll, (239) is accounted for by the children in pre-schools and nurseries.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are its primary governing documents.

The Trustees of Our Lady of Grace Catholic Academy Trust are also the Directors of the Charitable Company for the purposes of company law, hereafter referred to as the Trustees. The Charitable Company operates as Our Lady of Grace Catholic Academy Trust (a Multi Academy Trust).

In this Report the term Director or Trustee refers to a member of the Trust Board. The term Governor refers to a member of a Local Governing Body (LGB).

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

Members' Liability

The Members of the Charitable Company are listed on page 3. Each Member 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 (as required in the Trust's funding agreement/memorandum and articles of association) for the debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

The Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions, which are covered through the Department for Education's Risk Protection Arrangements (RPA). Our Lady of Grace Catholic Academy Trust is a member of this scheme.

Method of Recruitment and Appointment or Election of Trustees

The management of the Trust is the responsibility of the Trustees, who are appointed in line with the Articles of Association. Trustees are appointed to ensure the skill base of the Board is maintained and has sufficient breadth to serve the Company.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Method of Recruitment and Appointment or Election of Trustees (continued)

From 1st September 2018 the membership of the Board of Trustees was re-designated by the Members (i.e. the Diocese), resulting in the serving Headteachers and Governors of schools within the Trust stepping down; the desirable number of Trustees being nine. The Trust advertised via the website and in local parishes for Trustees to ensure suitable skills set. During 2020/21 the Board comprises 7 Foundation Trustees, appointed by the Diocesan Bishop.

Policies and Procedures Adopted for the Induction and Training of Directors and Governors

The Trust provides both individual and full governing body training. Trustees and Governors are required to complete an annual skills audit, which along with identifying strengths, also identifies areas they would like to develop. This is then used to inform targeted training in specific areas.

Trustees and Governors attend an annual training session tailored to the needs of the schools. In addition Trustees, Governors and staff attend an annual training day to review school performance. This day is also used to ensure all staff, Governors and Trustees are involved in the next phase of school improvement.

When a new Governor is appointed they receive the governors' handbook for each school; tour each school with the Headteacher; and receive access to school documents to review all policies. All Governors and Trustees regularly attend the schools for focussed visits linked to the school improvement plan and develop Governors' understanding of the day to day operations of the school.

The Trust purchases a Service Level Agreement (SLA) from the local schools service Governors Support Section, which offers a comprehensive package of training and support. The Diocese of Brentwood also provides annual training sessions which Trustees and Governors have access to. In addition a school improvement partner works with the schools to offer guidance for the Headteachers' performance management and for other support as necessary.

Organisational Structure

As a charity limited by guarantee, Our Lady of Grace Catholic Academy Trust is governed by a Board of Trustees who are responsible for, and oversee the management and administration of the Charitable Company and academies run by the Company.

In order to discharge their responsibilities, the Trustees ensure a Local Governing Body (LGB) is in place for each school. The LGB's comprise Foundation Governors, appointed by the Bishop of Brentwood, elected parents (elected from the parents body of the school by parents) and staff Governors (elected by the staff of the school) in line with the Trust's scheme of delegation. Foundation Governors form the majority of the LGB for each academy in line with the Memorandum of Understanding with the Diocese. The LGBs have been established to ensure the good governance of each school within the Trust.

The Trustees delegate various functions to each LGB in relation only to their relevant academy, which includes:

- accountability and monitoring of school performance and standards;
- setting and approval of policies that apply to individual schools;
- recommending the annual school budgets; monitoring of budgets thereafter and further advice to the Board on potential over and underspends;
- reviewing the premises management and ensuring health and safety issues are complied with;
- appointing a committee to apply the Deanery admission policy in accordance with the Admissions Code and with due regard to any locally agreed fair access protocols;
- governing exclusions in accordance with appropriate regulations; and
- supporting the Headteacher in recruiting and selection, grievance, disciplinary and processes in relation to staff, where appropriate.

In addition to the LGB each school has its own Senior Leadership Team (SLT), which includes the Headteacher and either a deputy head or two or three assistant heads (dependent on the needs of the school), who are responsible for the day to management and operation of their school.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Organisational Structure (continued)

The Trustees have overall responsibility and ultimate decision making authority for all the work of the Charitable Company and retain overall responsibility for the planning of strategy and setting the Trust's policies.

The Trustees have appointed a Chief Accounting Officer (CAO), in line with the 2016 guidance. Due to the expansion of the Trust and retirement of several Headteachers, in addition to a Headteacher in each school, the Trustees appointed a part-time CAO from 1st September 2020.

Arrangements for setting pay and remuneration of key management personnel (KMP)

The schools within Our Lady of Grace Catholic Academy Trust agreed that they would apply the School Teachers Pay and Conditions Document (STPCD) published annually by the Department for Education. The Local Authority pay policy follows the STPCD regarding pay scales and ranges. The Trustees approve the policy annually. This policy applies to all staff, including key management personnel, i.e. the SLT, as noted on page 3.

The Trust has adopted the Catholic Education Services (CES) appraisal / performance management policies. All staff, including the SLT within each school, have clear performance targets, including pupil progress. If targets are met and clear evidence is provided, the staff member receives an incremental point in line with the pay policy, authorised by the Headteacher. For experienced teachers to gain access to the upper threshold, teachers must apply for this pay scale and school procedures should evidence that the teacher is highly competent in all elements of the relevant standards; and that the teacher's achievements and contribution to the educational setting are substantial and sustained. The Governors and Trustees receive summarised reports detailing performance grades, meeting of targets and upper threshold payments.

For the Headteachers appraisals, the school's link Trustee, Chair of the LGB and one other Governor meet with the external adviser to review the Headteacher's evidence against the agreed targets. If targets have been met the chair of the LGB will authorise the increment. The procedure is minuted at the Trustees and LGB meetings. The CAO appraisal is undertaken by the Trustees with an external adviser and minuted at the Trustees' meeting.

No Trustees have received remuneration from the Trust and no bonus or additional payments have been made.

Trade Union facility time

The Trust had no employees that are Trade Union representatives, but paid £8,263 (2020: £4,335) to the Local Authority, the London Borough of Newham, for union and public duty services provided to the academies in the reporting period.

Related Parties and other Connected Charities and Organisations

For the purposes of these accounts, related parties are Members and Trustees and those who exert considerable control over the Trust. In addition the Trust works closely with many connected parties, which may have influence over the schools. The Trust also collaborates with several community and charity organisations.

Related Parties

The Diocese of Brentwood, as a Member, is a related party. The Trust works closely with the Diocese of Brentwood, in particular the Education Department. The Diocese offer support, advice and training for staff within the Trust.

The Education team of the Diocese of Brentwood provide a number of services to all Catholic schools in the Diocese, including the schools in the Trust. Details of these services and related fees are disclosed in the related party note on page 52.

In addition, one of the Foundation Trustees, Mr S Webb, is a Director of Development at the Diocese of Brentwood.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Related Parties and other Connected Charities and Organisations (continued)

Connected Parties

Schools within the Trust have fundraising and friends groups, including St Francis' Fund (Newham) (charity number 1173650); Friends of St Helen's (FOSH) (charity number: 1126941); Friends of St Joachim's (FOSJA); Parents, Teachers & Friends Association (St Antony's); and Friends of St Edward's are establishing a friends' charity. This has been delayed as a new charity account could not be opened during the initial COVID closure. These groups are considered as connected parties. The Headteachers liaise closely with the charities or groups and they provide funds for their school.

Charities

St Helen's sponsors children through HCPT (a charity offering pilgrimage holidays). The schools also fundraise on behalf of several charities including CAFOD, the Brentwood Catholic Children's Society, the British Legion Poppy Appeal, Cancer UK, Macmillan Nurses and others.

Community Organisations

The schools in the Trust also work in partnership with the other Catholic Deanery schools in Newham, collaborating on admissions, transition to secondary school projects and curriculum issues. All schools were members of the St Edward's Teaching School Alliance, (until Teaching Schools' status was removed on 31st August 2021) and support with the provision of professional development for other schools and train teachers through the school direct programme.

The Local Authority continues to offer a School Improvement Adviser to the schools and all schools access a range of SEND services provided by the Local Authority. All Headteachers are members of the Newham Association of Headteachers (NAPH).

Engagement with employees (including disabled persons)

The Trust now has over 250 employees and therefore under the Companies (Miscellaneous Reporting) Regulations 2018, the following statement is now included to highlight and maintain engagement with employees during the period 1st September 2020 to 31st August 2021. Schools within the Trust have:

- provided employees with information on matters of concern to them by holding weekly briefing with staff to update them on operational matters and ensure all risk assessments are available to staff.
- consulted employees and their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests by distributing updated policies for scrutiny.
- encouraged the involvement of employees in the company's performance by undertaking performance management / appraisal with all employees, setting appropriate targets related to school performance.
- achieved a common awareness on the part of all employees of the factors affecting the performance of the company through sharing key school properties and the schools' improvement plans.
- adopted and promoted staff well-being policies, promoting work-life balance and positive mental health strategies,

Additionally, the Trust has an Equalities Statement Policy and Schools publish individual equalities reports, annually. The aforementioned documents, along with the Trusts suite of Human Resources (HR) policies, support the employment of disabled persons, and highlight the equal treatment of any disabled employees or those who become disabled whilst employed by the Trust. The equality of opportunity for disabled employees extends to training, career development and promotion.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Objectives and Activities

Objects and Aims

The Trust's objects are specifically restricted to the advancement of the Catholic religion in the Diocese by such means as the Diocesan Bishop may think fit and proper by, but without prejudice to the generality of the foregoing:

- a) The establishing, maintaining, carrying on, managing and developing of:
 - i. Catholic schools in the United Kingdom designated as such conducted in accordance with the principles, and subject to the regulations and discipline of the Catholic Church including for the avoidance of any doubt any directives issued by the Diocesan Bishop from time to time; and
 - ii. subject to the approval of the Diocesan Bishop, other schools in the United Kingdom; and
- b) as purely ancillary to (a) promoting for the benefit of the inhabitants of the areas in which the Schools are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives

The Trustees and Governors have defined the main objectives of the Trust and their schools to be:

- to develop the whole child ensuring Gospel Values drive their aspiration to serve their communities throughout their lives;
- to ensure the long term sustainability and continuity of Catholic education in the local community;
- to provide excellent high quality education and experiences for all those who desire a Catholic education, within the context of our changing society; and
- to foster a sense of collaborative learning and sharing for all across Trust schools; valuing the contributions of staff, Governors and parents.

Strategies and activities for achieving objectives:

Since the last Annual Report successes have continued as the Trust has:

Catholic Life

- Celebrated its Catholic faith at an individual school level with masses and services both on line and with limited capacity in church due to COVID restrictions.
- Promoted Catholic education in Newham with promotional videos for all schools and the Trust including launching a new Trust website to celebrate the work of the Trust.
- Encouraged all children to engage in fund raising for charity including donating food collected at their Harvest Festivals.
- Ensured the children from the schools have participated in the Deanery Citizenship projects based around Catholic Social Teaching.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Strategies and activities for achieving objectives (continued)

Sustainable Catholic Education

- Supported an additional School as part of the due diligence arrangements with financial planning and achieving economies of scale through contract alignment.
- Continued to ensure all consistency in HR policies as all Schools moved to EPM as the Trust HR and payroll provider, realising £36,000 of savings and providing efficiencies.
- Tendered and negotiated catering contractors, providing improved quality of healthy food for all Schools and aligning the contract across the Trust.
- Completed an internal scrutiny for health and safety and estate management, thereby improving reporting systems to trustees and providing an effective mechanism for monitoring in the Trust, reducing risk and providing a clear focussed plan for 2021/22.
- Undertaken an internal audit focussing on systems within the Schools joining the Trust since 2019, providing Trustees with reassurance in financial procedures, culminating in the appointment of a management accountant to provide greater efficiencies.
- Finalised the CIF project for new boiler and circulation project at St Helen's, totalling £163,000 and additionally funded £26,000 for a new early years playground at St Joachim's
- Obtained CIF funding for 2021/22 for roofing works at St Francis' and St Joachim's.
- Enhanced its IT capacity with expansion of the service into a total of five Schools and employing and training an IT apprentice.
- Co-ordinated, through the IT Officer, standard inventories, disposal of redundant equipment, prioritising of new and replacement devices to ensure consistency of Chromebooks and converted laptops; acquired the latest smartboards; upgraded wireless access points and broadband and enhanced cyber securing with third back-up options.
- Enabled capital investment in IT totalling over £200,000, included donated devices from the DfE and local authority.
- Delivered on-line learning for all children during the COVID school closure, including live lessons and achieved a standard use of Google classroom across all Schools.

High Quality Catholic Education

- Maintained positions as strategic partners within three Teaching School Alliances, supporting initial teaching training, ensuring the Schools in the Trust are fully staffed with high quality teachers.
- Continued to co-ordinate collaborative schools projects to raise standards, including early years provision, initiating continuity of curriculum provision and training for transiting to year 1; SEND support, including a commitment for all schools to achieve the Quality Inclusion Mark; moderating writing in years 2 and 6 and developing IT leaders with sharing and planning an innovative project for 2021/22.
- Further developed knowledge and professional development for leaders through commissioning a consultant to facilitate and lead peer reviews, additionally providing training for the quality of education committee.
- Successfully sought external accreditation to ensure high standards and provide assurances for the LGBs and Trustees; all schools are working towards the Inclusion Quality Mark; St Joachim's and St Helen's achieved the Primary Science Quality Mark and St Helen's achieved the National Association for Able Children (NACE) Award.
- Procured and co-ordinated the consistent use of a speech therapy service across the Trust, saving £12,000 across the Trust and impacting on children's early language acquisition and training staff to deliver high quality intervention programmes.
- Increased trustees' knowledge of education standards with the introduction of the Quality of Education Committee, providing a forum to support and challenge Headteachers and enabled improved monitoring across the Trust.

Collaborative Learning

- Brought Trustees, Chairs, Vice Chairs and Headteacher together to review the values and vision of the Trust to ensure a focus on the provision of high quality Catholic Education.
- Remained open throughout the COVID pandemic, offering provision for key worker and vulnerable children during lockdowns, additionally providing high quality remote education and moving rapidly to recovery curriculum to incorporate missed educational visits.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Strategies and activities for achieving objectives (continued)

- Continued to collaborate throughout the COVID crisis regarding the risk assessment to ensure all Schools are safe; provide additional support and advice to parents and planned to ensure pupil well-being remains a key priority during 2020/21.
- Worked tirelessly with all staff and the community to ensure children are able to achieve through accessing exciting, enriching and memorable experiences.

Public Benefit

The Trustees have considered the Charity Commission's guidance on public benefit and have complied with their duty to have due regard to the guidance. The key public benefit delivered by Our Lady of Grace Catholic Academy Trust is the sustainability and development of high quality Catholic education provided by the schools within the Trust.

Strategic Report

Achievements and Performance

The tables below set out the context of the schools and the key performance indicators benchmarked against national criteria. The schools also seek external accreditation for their work to validate the leaderships' judgements.

Key Performance Indicators - Pupils

Inspection	St Antony's	St Edward's	St Francis'	St Helen's	St Joachim's
OFSTED Judgement prior to conversion	Good (2018)	Outstanding (2009)	Good (2016)	Outstanding (2007)	Outstanding (2007)
Early Years Provider	N/A	N/A	N/A	Outstanding (2014)	N/A
Section 48 RE Inspection	Outstanding (2018)	Outstanding (2020)	Outstanding (2016)	Outstanding (2020)	Outstanding (2015)

All schools were good or better in their OFSTED and inspection reports before conversion. St Joachim's received an OFSTED visit in September 2021, after the year end, with a good outcome.

Context – (January 2021 Census)	St Antony's	St Edward's	St Francis'	St Helen's	St Joachim's	National Average
Number on roll	460	430	386	481	289	279
Pupil Premium (disadvantaged)	23%	21%	30%	29%	28%	24%
SEND support	14%	6%	9%	13%	27%	12%
From ethnic minorities	95%	95%	95%	95%	97%	32%
First language not English	37%	64%	40%	56%	89%	21%

All Schools are located in areas of high deprivation; with increasing numbers of families with lower incomes during the COVID pandemic. All Schools have slightly lower rolls (except St Joachim's) due to falling rolls in Newham, caused by a falling birth rate, families returning to Europe, post Brexit and families moving out due to being re-housed where rent is lower or buying more affordable housing. The number of children with SEND across all Schools is increasing, whilst children for whom English is not their first language is decreasing.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Achievements and Performance (continued)

Key Stage 2	St Antony's		St Edward's		St Francis'		St Helen's		St Joachim's		National Average	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Early Years Foundation Stage (EYFS)	70%	75%	60%	68%	54%	73%	58%	67%	54%	63%	*	*
Key Stage 1 (RWM)	85%	82%	68%	61%	84%	65%	64%	63%	60%	58%	62%	54%
Key Stage 2 (RWM)	90%	90%	76%	77%	78%	80%	85%	75%	80%	67%	70%	64%
Attendance	*	96%	*	96%	*	95%	*	97%	*	97%	*	*

*Data not available

During 2020 and 2021 there has been no requirement to undertake national testing or to publish key stage performance data. However, Schools across the Trust have continued to undertake teacher assessments. The table above shows end of key stage data for the expected standard. National data is based on information gathered by Family Fisher Trust (FFT) based on the Schools using the FFT data collection service.

All School data is above the national standard, however most Schools have seen a decrease in results due to COVID, particularly in EYFS, where online learning for pupils was heavily dependent on parent availability to support pupils. Pupil attendance remained high.

Key Performance Indicators – Financial

The key financial performance indicators set by the Trust are aimed at ensuring the financial viability of the organisation both short term and longer term. These are:

- setting and operating within a balanced budget as required by the Academies Handbook;
- maintaining positive cash flow forecast for at least 12 months ahead;
- maintaining appropriate level of revenue reserves at each year end; and
- keeping the level of staff cost as a percentage of total costs between 70-80%.

The performance against the key financial performance indicators are summarised below:

Key financial performance indicator	2021/22 Target	2021	2020	2019	2018
Balanced budget set & maintained	yes	yes	yes	yes	Yes
Positive cash flow forecast for 12 month ahead as at 31 August	yes	yes	yes	yes	Yes
Revenue reserve balance at 31 August	5%-10% of total income	£1,904k	£1,327k	£612k	£686k
Staff cost as a percentage of total costs	Between 70%-80%	77%	75%	73%	72%

Our Lady of Grace Catholic Academy Trust has met all its financial key performance indicators in the reporting periods ended 31 August 2021 and in all previous periods since incorporation.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Going Concern

After making appropriate enquiries and acknowledging the uncertainty arising from increasing costs and Government policy regarding funding, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

In making this statement the Board of Trustees have taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the Schools during the period and the changes in practices introduced from the 2020 Autumn term.

Further consideration on the Trust's ability to continue as a going concern, as a result of the COVID-19 pandemic can be found in Note 1.2.

Promoting the success of the company

The Trustees are mindful of the need to act in a way most likely to promote the success of the Trust. They have taken the following into account:

- The risk management policy and risk registers have been developed to take into account the likely consequences of any decision in the long term.
- The well-being and interest of the Trusts' employees are reflected in a desire to achieve Investors in People across the Trust and to ensure well-being policies are promoted by all Schools.
- The need to foster the Trust's relationship with all stakeholders is now being promoted through a new Trust website and promotion of the Trust's schools through enhanced marketing to increase pupil numbers.
- The impact of the Trust's operations on the community and the environment are reflected in the support provided for the Catholic communities and the School's desire to reduce paper and printing usage and ensure efficiency use of utilities, reducing waste where possible.
- The desirability of the Trust maintaining a reputation for high standards of business conduct by establishing a Quality of Education committee and appointing a dedicated CAO to ensure business compliance and consistency across the Trust.

Financial Review

The Trust's principal financial management policies are in line with the Academies Handbook published by the ESFA and are described in the trust's Financial Regulations approved by the Board of Trustees.

The Trustees believe that the Trust has maintained a positive and strong financial position throughout its operation as indicated by the maintenance of its healthy revenue reserves balance. Although the operation of our Schools during the 2020/21 academic year were greatly affected by the pandemic and the related partial closures of the Schools, the financial impact was not material due to the continued funding by the ESFA and the processes put in place to reduce costs where it was reasonable.

The Trust's mid-term financial plans, which are based on predicted pupil numbers, indicate positive financial outlook for the next 3 years ahead, despite the uncertainties faced with regards to funding levels (e.g. SEND funding), increasing staffing costs and the growth of the Trust.

The Trust has made a deficit of £1,877,000, (2019/20: deficit of £1,667,000) in the year (excluding actuarial loss of £1,161,000, (2019/20: actuarial loss of £602,000), primarily due to the £1,738,000 LGPS deficit inherited on conversion with regards to the new Academy who joined the Trust on 1 September 2020 (2019/20: £2,2180,000 LGPS deficit inherited on conversion with regards to the two new Academies who joined the Trust on 1 September 2019).

Although the Trust is budgeting an in year deficit of £680k for 2021/22 due to planned investment in its Academies' premises and IT infrastructure, it is expected to maintain positive revenue reserves for the next 3 years ahead. In addition, reserves are expected to reduce over the coming years due to increasing staff costs, however detailed resource planning is completed annually to ensure the staff establishment is financial viable.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Financial Review (continued)

At 31 August 2021, the Trust had net assets excluding pension liability of £2,621,000 (2019/20: £1,803,000) and pension liability of £11,516,000 (2019/20: £7,660,000). The Trust recognised an actuarial loss with regards to its Local Government Pension Scheme (LGPS) of £1,161,000 (2019/20: actuarial loss of £602,000) in the year (refer to note 29). The LGPS liability is long term and neither relate to cash obligations or impact on the going concern of the Trust.

The principal source of funding is the General Annual Grant (GAG) and other grants received from the ESFA (e.g. pupil premium) and the London Borough of Newham. Grant income of £14,708,000 (2019/20:£11,112,000) has been received from the ESFA and the London Borough of Newham in the year ended 31 August 2021.

CIF capital grants of £133,000 and £197,000 were received/accrued for successful roof replacement works at St Francis' and St Joachim's respectively, both of these projects were in progress at the year end and will be completed in the Autumn term of 2021 (2019/20: CIF capital grant £143,000 for St Helen's boiler replacement project and £25,000 has been received from LCVAP for various projects in St Edward's and St Francis').

The Trust has received the COVID 19 funding in the form of COVID catch up premium of £144,600 and COVID emergency grant of £24,454 (new converter, St Antony's, all other academies recognised this funding in the 2019/20 accounts).

Each School has used their COVID funding to provide targeted support to pupils who have fallen behind due to impact of the pandemic. Invention programmes, based on research to reduce attainment gaps, as identified by the Education Endowment Fund (EFF), have been used in each School. Effective strategies have included:

- Daily morning booster classes for 15 weeks for years 5 and 6 classes, along with a 3 week summer catch up programme in August for 40 children in St Antony's.
- Counselling from the Brentwood Catholic Children's society and social skills groups to address behavioural concerns, thereby reducing barriers to learning in St Edward's.
- Targeted phonics groups in years 1 and 2, alongside communication and language groups in EYFS and building resilience through growth mind set strategies in St Francis'.
- Extended school time with enrichment activities, homework clubs and booster classes in St Helen's.
- Early years and special needs intervention groups and the use of the Mathletics programme to be used in School and at home with games and challenges at St Joachim's.

All schools have used their funding allocation during 2020/21 and detail plans are on each Schools' website.

The Trust has also received £360,000 (2019/20: £312,000) other restricted income primarily from parental contributions towards educational visits and extended school provision. Due to School closures and restrictions as a result of COVID 19 pandemic, the extended school provisions and educational visits were significantly reduced across all of our Academies, which impacted both income and related expenditure.

All expenditure incurred funded by the restricted general funds was in support of the Trust's key objective of the provision of education.

The Trust has also received unrestricted income from other sources of £511,000 (2019/20: £785,000) during the year, which included £439,000 cash transfer on conversion (2019/20: £745,000) and had carried a surplus of £1,334,000 (2019/20:£1,063,000) forward which is being used as a contingency to cover increased expenditure or lower income in future years and contribute to the Trust's planned capital projects. In addition, the Trust will use its accumulated reserves to fund £150,000 of St Joachim's expansion project, which have been advanced by the ESFA and repaid by the Trust over 7 years from reserves (repayment started in 2020/21 - £21,000 p.a.).

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Financial Review (continued)

The Trust held fund balances as follows at the year-end:

Restricted Funds	31 August 2021	31 August 2020
	£'000	£'000
Fixed assets funds	717	476
General funds	571	264
Pension reserve deficit	(11,516)	(7,660)
Total restricted funds	(10,229)	(6,920)
Unrestricted funds	1,334	1,063
Total funds	(8,895)	(5,857)

At 31 August 2021 the net book value of fixed assets was £567,000 (2020: £537,000) and the movement in fixed assets are shown in note 13 of these accounts. The assets were used exclusively for providing education and associated services to the pupils of the Schools.

The Academies operated from freehold and leasehold land and buildings which are held by the Diocese of Brentwood. The Trust's accounting policy in relation to the treatment of land and buildings owned/leased by the Diocese of Brentwood as detailed on page 35.

Reserves Policy

Academies are expected to hold contingency reserves from their annual GAG funding or other income, which may be both capital and revenue reserves.

Revenue reserves are held to fund future expenditure related to the MAT Development Plan's strategic long-term aims and developments, while capital reserves represent the fund of the Trust that are held as fixed assets. As the DfE provides minimal funding in the way of Devolved Formula Capital Grant at present the majority of capital projects have been funded from restricted or unrestricted general funds.

The policy of the Trust 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 Trust's reserves are detailed in the Financial Review above and also in notes 18 and 19 of these accounts.

The Trust's free reserves (considered to be the restricted general funds and unrestricted funds excluding the pension reserve) amounted to £1,904,000 (2020:£1,327,000) at 31 August 2021.

The Trustees consider the target level of reserves on an annual basis as part of the strategic and financial planning process, which is documented in the Trust's reserves policy. The Trustees have agreed that the acceptable level of revenue reserves should be in a range of 5%-10% of total Trust income. This level of revenue reserves are considered adequate to provide sufficient resources to enable the planned growth in the Trust as a result of new schools joining over the coming years; to support fund potential capital project if external funding is not accessible and to ensure that the advance from ESFA for the completed expansion project at St Joachim's is repayable. The actual free reserves of the Trust have slightly exceeded the target range as at 31 August 2021, which was welcomed by the Trustees.

The Trust will be using £129,000 of its free reserves to fund the remaining GAG advance due from the ESFA for St Joachim's.

No schools in the Trust had negative free reserves at 31 August 2021 or at 31 August 2020.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Investment Policy

The Trustees aim to manage the Trust's cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

The Trustees aim to:

- invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds; and
- spend the public monies with which it is entrusted for the direct education benefit of students as soon as is prudent.

The Trustees do not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow. Monies surplus to the working requirements may be invested in a higher interest bearing account allowing access to funds within a term not exceeding three months.

Our Lady of Grace Catholic Academy Trust has opened a 32 day notice deposit account in the 2018/19 financial year and had a deposit balance of £475,000 as at 31 August 2021 (2020: 475,000). The deposit account generates interest at 0.01% p.a (2020:0.01%). The interest generated during the reporting period amounted to £251 (2020: £1,124).

Principal Risks and Uncertainties

Based on the strategic plan for each Academy, the Headteachers, Governors and Trustees have undertaken a comprehensive review of the risks to which the Trust may be exposed in line with the Risk Management Policy. Risks that may have a negative impact on the Trust, have been identified and recorded in the risk register, which details all the policies and procedures that the Trust has implemented to reduce risk and uncertainties.

The Trust's strategic risk map is reviewed and updated annually in line with the agreed risk management policy and procedures.

The risk register has been updated to take account of COVID uncertainties and risks as detailed in the table below:

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Principal Risks and Uncertainties (continued)

The key risks identified by the trust are as follows:

No.	Risks	Key control measures
1	Fall in number of pupils on roll	Additional advertising of vacancies through parish newsletters and school websites. Open days or virtual tours (dependent on COVID risks) are undertaken for 2021 admissions. Local Authority application lists are reviewed weekly to fill vacancies. Trustees have reviewed the Local Authority birth rates and prediction for five years and remain confident that schools will continue to be financially stable. For nursery rolls which are more volatile schools offer paid places to meet any funding shortfalls. Additional marketing strategies in place for 2020/21 to promote Catholic education.
2	Negligence claim due to child protection or H&S failure	Comprehensive risk assessments, H&S policies and procedures, member of RPA, Child Protection and Safeguarding procedures and training to all staff.
3	Non-compliance with funding agreement	Highly skilled staff, key advisors appointed, robust reporting to highly skilled trustees.
4	Absence of key personnel	Clear organisational structure, experienced SLT and sharing of expertise across the Trust
5	Fraud or theft	Robust Financial Regulations and procedures. Anti-fraud policy, external and internal audits. Robust financial reporting to LGBs/Board of Trustees.
6.	Mismanagement of MAT expansion	Highly experienced Trustees, Diocesan and professional advisors; due diligence regarding finance and land arrangements; planned phased entry into ensure capacity for key function, finance, HR and IT. Experienced key personnel for MAT compliance. Excellent historical supportive working relationship between schools to join Our Lady of Grace.
7.	COVID related long term staff absences for education and finance	Schools have all undertaken detailed site risk assessments for pupil and staff contact; cleaning regimes and managing staff / pupils with symptoms. All Schools proven ability to deliver high quality on line teaching with access to devices for pupils. Remote access is available for finance staff to ensure continuity of all business functions. Sufficient reserves are available across the Trust to manage additional cleaning expenses. Governance at all levels is continuing through on-line conferencing facilities.

The Schools have high levels of financial expertise to ensure excellent internal controls exist and to ensure risk is significantly reduced in all financial matters. High levels of monitoring and reporting are in place to manage the cash flow of the schools.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Principal Risks and Uncertainties (continued)

The Schools' assets are detailed above in financial review and the Trustees consider that there are sufficient funds available to meet all liabilities given that the LGPS creditor is unlikely to crystallise in the near future; the material liability being the LGPS of £11,516,000 (2020:£7,660,000). The Trust's main financial instruments are its bank balances, trade creditors and minimal debtor balances, which are managed as part of the robust monthly financial monitoring and reporting process.

The Schools have three year budget plans in place to consider any potential shortfalls in funding that may arise and to prioritise any surpluses that may accrue due to savings or additional income.

Fundraising

The Trust's fundraising approach focuses on the fundraising friends groups (Parent Teacher Associations/"PTA") operating in all schools. Schools within the Trust have fundraising and friends groups, including Parents, Teachers & Friends Association (St Antony's); Friend of St Teddy's (St Edward's); St Francis' Fund (Newham) (charity number 1173650); Friends of St Helen's (FOSH) (charity number: 1126941); and Friends of St Joachim's (FOSJA). The Headteachers liaise closely with the friends groups and they provide funds for their school.

In addition, two of the Schools have an online Easyfundraising cause page, which generates donations when patrons shop online. Easyfundraising is a charity support organisation providing a fundraising channel for charities and Schools. The level of income generated through this channel is negligible.

The Trust does not use or employ professional fundraiser and the monitoring of fundraising activities are undertaken by the Headteachers.

The Trust has not received any complaints relating to its fundraising activities and it is aware of its role in protecting the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches.

Plans for Future Periods

In line with the key objectives outlined above, the Trustees aim to:

- Expand the Trust during 2021/22 to incorporate an additional School, in line with the development programme within the Diocese.
- Engage with all employees through a day of reflection on Catholic Life and the distinctive nature of Catholic Schools on the context of Newham.
- Further develop pupils' understanding of Catholic Social Teaching and sustainability issues through Citizenship focus weeks.
- Develop an enhanced spirit of collaboration and innovation through the use of the MAT Assurance Framework to ensure a greater focus on school improvement and standards.
- Ensure a robust internal system for day to day estate management and building compliance is in place to enhance reporting to trustees and build on the developing estate management strategy.
- Appoint an external consultant to provide detailed asset management plans for all Schools to enable prioritisation of capital bids and (targeting heating works at St Antony's, and St Edward and completion of roof works at St Francis') develop sustainable buildings across the Trust.
- Continue to develop additional marketing strategies linking with Catholic Deanery and using social media.
- Deliver further efficiencies in the use of IT across all Schools using cloud based technologies, enhance data sharing and expand the use of the Trust service into all Schools.
- Redefine the role of the CAO to ensure an education focus with robust systems & protocols to identify Schools requiring additional support & intervention, including methods to broker support where needed.
- Promote enhanced relationships with Local Governing Bodies through joint meetings; developing the role of the Link Trustee and through information sharing.
- Provide further opportunities for Subject Leaders to develop curriculum planning, achieve the quality inclusion mark and develop support succession planning for future leaders.

Our Lady of Grace Catholic Academy Trust

Trustees' Report (continued)

Plans for Future Periods (continued)

The Diocese of Brentwood has adopted a policy to develop eight Catholic Multi-Academy Trusts largely based on Deaneries. Our Lady of Grace Catholic Academy Trust's leadership now includes a group comprising of the Newham Deanery Primary Headteachers and one Secondary Head. This group provides advice and recommendations to the Trustees. Additionally the Leadership Group (comprises of Trustees, Chairs of LGBs and Headteachers) was formed in 2019/20. It is planned to develop this group in 2021/22 as key stakeholders who will inform and shape the Trust's strategy direction and future.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held on behalf of others and the Trust does not act as custodian trustees for any other party.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees, as the Company Directors, on 15 December 2021 and signed on the Board's behalf by:

Mick Coleman

Mick Coleman (Dec 15, 2021, 9:46am)

M Coleman

Chair of Trustees

15 December 2021

Our Lady of Grace Catholic Academy Trust

Governance Statement

Scope of Responsibility

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

As Trustees, we are in the process of reviewing and taking into account of the guidance in DfE's Governance Handbook and competency framework for governance, including the appointment of a new professional adviser and undertaking a review of governance during 2022.

The Board of Trustees has delegated the day-to-day responsibility to G Hicks, as Accounting Officer, for ensuring financial controls conform to 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 Our Lady of Grace Catholic Academy Trust and the Secretary of State for Education. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of possible
J P Antony	4	4
M Coleman (Chair)	4	4
K Fernet	3	4
R Gabrasadig	4	4
E Okpanachi	2	4
C Warnick (Vice Chair)	4	4
S Webb	4	4

The Board met fewer than six times during the year. The Board is satisfied that through the use of sub-committees it maintains effective oversight of funds. Details of the sub-committees are noted below.

The Board of Trustees listed above, who were in post in the reporting year. There were no changes in the composition of the Board of Trustees in the reporting period. The key work of the Board this year has ensured Schools have continued to review performance, introduce the recovery curriculum and ensure compliance in all areas. The Board has reviewed its own effectiveness through undertaking the NGA skills audit and attending additional training sessions to ensure their knowledge is up to date and relevant. The main challenges the Board has faced have included:

- ensuring pupil numbers are maximised when rolls are falling locally
- involving LGBs during social distancing restrictions, although this was achieved through a virtual reviewing of school values
- beginning to reconsider the role of the CAO / Catholic Senior Executive Leader (CSEL)
- recruiting an internal management accountant, however this was achieved, during a time of a skills shortage

The Board receives excellent high quality and detailed data to ensure financial compliance, monitoring of cashflows and reforecasting of budgets to take account of changes throughout the year. Following on from health and safety audits, including a Trust audit from the Risk Protection Assurance Scheme, the Board is now receiving summarised data to ensure all statutory building testing has taken place. With the addition of a Quality of Education Committee there is improved data on School performance information and feedback on peer review along with reports from the Diocesan School Adviser. The Board has challenged data throughout the year and there continue to be improvements in particularly regarding school performance and progress data.

Our Lady of Grace Catholic Academy Trust

Governance Statement (continued)

The review of governance structure, as recorded in the Scheme of Delegation, is reviewed annually by the Board of Trustees including a self-evaluation. During 2021/22 the Board has reviewed its performance through:

- termly monitoring of the Trust Improvement Plan
- termly review of LGB minutes
- a review of the values of the Trust with representatives of LGBs
- a vision session to consider the succession planning and future governance of the Trust
- undertaking a trustee skills audit and self-evaluation of Trustees contributions

The Trustees are competent with a good skill set and LGBs provide challenge for Headteachers and senior staff as evidence in questions detailed in minutes. However the Trustees and LGBs are aiming to improve the consistency of information through the appointment of a new professional advisor. The Trustees and LGBs are now using the DfE MAT assurance framework on a termly basis as a self-evaluation method and will undertake an external review by August 2022.

During the COVID partial closure all Schools continued to operate all financial controls either through working in School or working from home. All local finance and FAR committee meetings took place via zoom meetings to ensure regular and timely monitoring at a governance level could take place efficiently.

The Finance, Audit and Risk Committee (FAR) is a sub-committee of the Board of Trustees. Additionally in 2019/20 a Quality of Education sub-committee was established to provide Trustees with an overview of standards.

The role of the FAR Committee is to advise the Board of Trustees on the comprehensiveness and effectiveness of the Trust's assurance framework. In particular the FAR Committee advises and supports the Board in fulfilling its roles and responsibilities, including its responsibility for providing the assurances required in the Accounting Officer's Statement of Regularity, Propriety and Compliance in the annual financial statements.

The FAR Committee has the authority to investigate any activity within its terms of reference, and has right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit.

One of the key responsibilities of the FAR Committee is to review and monitor the Trust's budget and approve all key policies. The Chief Finance Officer, G Callegari, a qualified accountant, reports to this Committee.

Attendance at FAR Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
M Coleman (Vice Chair)	4	4
K Fernet	3	4
R Gabrasadig	4	4
S Webb (Chair of FAR)	4	4

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The Accounting Officer has delivered improved value for money during the year by:

- Competitive tendering of catering service to align contracts with one provider across the Trust. This has improved the quality of healthy meals across the Trust and secured a pricing structure for three years. Effective monitoring of the catering contract during COVID and the new contract has saved over £60,000 for the Trust.
- Effective use of the apprenticeship levy has enabled the Trust to benefit from £19,000 of additional training professional development for staff during the year.

Our Lady of Grace Catholic Academy Trust

Governance Statement (continued)

Review of Value for Money (continued)

- Extending the Trust's IT support service to another Trust School, £3,500 was saved through tendering for smart panels to enhance the quality of teaching across the School. Five Schools benefitted during the year with a quality service, including the upgrading of wire access points and devices.
- Achieving high staff attendance and managing staffing within the schools reducing the need for supply staff. Using the School's own staff ensures continuity in provision for the education of the children, contributes to pupil well-being and enables them to achieve highly. Low staff sickness rates overtime lead to the Trust not utilising staff absence insurance.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Our Lady of Grace Catholic Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an established accountancy firm, Azets, to provide internal audit services for the Trust for the 2020/21 financial year.

Azets' role as internal auditor includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In the year Azets has completed a supplementary assurance review on the following risk areas identified by the Trustees:

- effectiveness and efficiency of key financial controls in place:
- processes reviewed included: cash management, raising orders, supplier data management, use of purchasing cards, payment processes,

The supplementary assurance review focused on the three new Academies, who joined the Trust in 2019 and 2020.

Our Lady of Grace Catholic Academy Trust

Governance Statement (continued)

The Risk and Control Framework (continued)

On an annual basis, the Internal Auditor reports to the Board of Trustees, through the FAR Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned and the following key issue has arisen from the internal auditor's work:

- Supplier invoices are not posted to the accounting system on a timely manner in some cases (issue only relates to new Schools in the Trust). Remedial action has been put in place in the related schools to ensure timely posting of invoices.

Review of Effectiveness

As Accounting Officer, G Hicks, 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 external Auditor;
- the outcome of the supplementary assurance review undertaken by the Internal Auditor;
- the financial management and governance self-assessment (including a skills audit) process which was undertaken by the FAR Committee in the year; and
- the work of the Chief Finance Officer within the Trust who has 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 FAR Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 15 December 2021 and signed on its behalf by:

Mick Coleman

Mick Coleman (Dec 15, 2021, 9:46am)

M Coleman
Chair of Trustees

15 December 2021

Gael Hicks

Gael Hicks (Dec 15, 2021, 9:47am)

G Hicks
Accounting Officer

15 December 2021

Our Lady of Grace Catholic Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Our Lady of Grace Catholic Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



Gael Hicks (Dec 15, 2021, 9:47am)

G Hicks

Accounting Officer

15 December 2021

Our Lady of Grace Catholic Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by the Board of Trustees on 15 December 2021 and signed on its behalf by:

Mick Coleman

Mick Coleman (Dec 15, 2021, 9:46am)

M Coleman
Chair of Trustees

15 December 2021

Our Lady of Grace Catholic Academy Trust

Independent Auditor's Report to the Members of Our Lady of Grace Catholic Academy Trust

Opinion

We have audited the financial statements of Our Lady of Grace Academy Trust (the 'Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and related notes, 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 2020 to 2021 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education & 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this Report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our Lady of Grace Catholic Academy Trust

Independent Auditor's Report to the Members of Our Lady of Grace Catholic Academy Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our Lady of Grace Catholic Academy Trust

Independent Auditor's Report to the Members of Our Lady of Grace Catholic Academy Trust (continued)

We gained an understanding of the legal and regulatory framework applicable to the Academy and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.
- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board.
- We have made enquiries of the senior management team including the Accounting Officer regarding laws and regulations applicable to the Academy and obtained the report details of any breaches where applicable in order to assess the impact upon the Academy.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and reviewed the procedures in place for the reporting of incidents to the Trustee Board including serious incident reporting of any such matters to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Mr Gary Miller (Senior Statutory Auditor)
for and on behalf of **Price Bailey LLP**
Chartered Accountants
Statutory Auditors
Causeway House, Dane Street
Bishops Stortford, Hertfordshire, CM23 3BT

Date: 15 December 2021

Our Lady of Grace Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Our Lady of Grace Catholic Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 7 November 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Our Lady of Grace Catholic Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Our Lady of Grace Catholic Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Our Lady of Grace Catholic Academy Trust's funding agreement with the Secretary of State for Education dated 20th March 2015 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our Lady of Grace Catholic Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Our Lady of Grace Catholic Academy Trust and the Education Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income

Conclusion

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



Reporting Accountant

Price Bailey LLP
Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Herts CM23 3BT

Date: 15 December 2021

Our Lady of Grace Catholic Academy Trust

Statement of Financial Activities for the year ended 31 August 2021

(including the Income and Expenditure Account)

	Note	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Income and endowments from:						
Donations and capital grant	2	40	681	418	1,139	858
Transfer from Local Authority on conversion	32	445	(1,738)	20	(1,273)	(1,245)
Charitable activities:						
Funding for the Trust's educational operations	3	-	14,572	-	14,572	11,131
Teaching Schools	3,31	-	187	-	187	195
Other trading activities	4	25	7	-	31	27
Investments	5	1	-	-	1	2
Total		511	13,709	438	14,658	10,967
Expenditure on:						
Raising funds	6	1	-	-	1	1
Charitable activities:						
Grants	6,7	-	-	195	195	54
Trust's educational operations	6,8	-	15,961	205	16,166	12,379
Teaching Schools	31	-	172	-	172	200
Other		-	1	-	1	-
Total	6	1	16,135	399	16,535	12,634
Net income/(expenditure)		510	(2,425)	39	(1,877)	(1,667)
Transfer between funds		(239)	37	202	-	-
Other recognised gains and (losses)						
Actuarial (losses)/gains on defined benefit pension schemes	29	-	(1,161)	-	(1,161)	(602)
Net movement in funds		270	(3,549)	240	(3,038)	(2,269)
Reconciliation of funds:						
Total funds brought forward	18	1,063	(7,397)	476	(5,857)	(3,588)
Total funds carried forward		1,334	(10,945)	717	(8,895)	(5,857)

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the reporting period.

The notes on pages 33 to 57 form part of these financial statements.

Our Lady of Grace Catholic Academy Trust

Balance Sheet as at 31 August 2021

Company Number: 09435396

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	13	567		537	
			567		537
Current assets					
Stock	14	20		18	
Debtors	15	2,785		2,059	
Cash at bank and in hand		2,953		2,364	
		<u>5,758</u>		<u>4,441</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	(2,221)		(1,993)	
			3,536		2,449
Net current assets					
			4,104		2,985
Total assets less current liabilities					
Creditors: Amounts falling due after more than one year	17		(1,483)		(1,183)
			2,621		1,803
Net assets excluding pension liability					
Defined benefit pension scheme liability	29		(11,516)		(7,660)
			(8,895)		(5,857)
Total net liabilities					
Funds of the Trust:					
Restricted funds					
Fixed asset fund	18	717		476	
Restricted Income Fund	18	571		263	
Pension reserve	18	(11,516)		(7,660)	
			(10,229)		(6,920)
Total restricted funds					
Unrestricted income funds	18		1,334		1,063
			(8,895)		(5,857)
Total funds					

The financial statements on pages 30-57 were approved by the Trustees and authorised for issue on 15 December 2021 and are signed on their behalf by

Mick Coleman

Mick Coleman (Dec 15, 2021, 9:46am)

M Coleman
Chair of Trustees

Our Lady of Grace Catholic Academy Trust

Statement of Cash Flows for the year ended 31 August 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	(11)	603
Cash flows from financing activities	23	443	835
Cash flows from investing activities	24	157	111
Change in cash and cash equivalents in the reporting period		589	1,549
Cash and cash equivalents at 1 September 2020		2,364	815
Cash and cash equivalents at 31 August 2021	25	2,953	2,364

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021

1. Statement of accounting policies

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

1.1 Basis of Preparation

The financial statements of the Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Our Lady of Grace Catholic Academy Trust meets the definition of a public benefit entity under FRS 102.

The accounts are presented in Sterling and rounded to the nearest £1,000.

1.2 Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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 Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic, especially in relation to extended school activities and educational visits, which were scaled down significantly since the summer term of 2020.

The Trust derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern. In reaching their conclusions on the continued adoption of the going concern basis the Trustees have taken account of the fact that the financial Statements show net liabilities of £8,895,000 (2020: £5,857,000). These liabilities are caused by the LGPS pension deficit of £11,516,000 (2020: £7,660,000). As noted in the Trustees' Report this deficit does not mean that an immediate liability for the amount crystallises but does result in a cash flow effect in the form of increased employer contributions over a number of years, all of which are included within the Trust's normal operating budget.

1.3 Income

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

Grants

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

General Annual Grant (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. As per the Trust's funding agreement with the ESFA, there are no limits on the amounts of GAG that the Trust is permitted to carry forward from one year to the next.

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

1. Statement of accounting policies (continued)

Capital grants are recognised in full when there is unconditional entitlement 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 in the restricted fixed asset fund.

Donations

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

Other Income

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

1.3 Income (continued)

Donated goods, facilities and services

Donated facilities and services provided to the Trust are recognised at their value to the Trust in the period when it is probable that the economic benefits associated with the donated items will flow to the Trust, provided they can be measured reliably. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donated goods are recognised at fair value unless it is impractical to measure this reliably in which case a derived value, being the cost of the item to the donor is used. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities except where the donated good is a fixed asset in which case 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 Trust's accounting policies.

The freehold land donated to the Trust on conversion by the London Borough of Newham for a £nil consideration has been recognised as Donation – transfer from Local Authority on conversion with a corresponding amount showing in fixed assets as freehold land. The value of the land has been derived from the valuation undertaken by an independent professional property surveyor.

Transfer on conversion

Where assets and liabilities 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 Academy Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on Raising Funds

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

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

1. Statement of accounting policies (continued)

Charitable Activities

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

1.5 Intangible Fixed Assets

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

- Purchased computer software 5 years (20% p.a.)

1.6 Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. This includes individual asset items over the capitalisation threshold as well as closely related group of IT assets (e.g. a trolley of laptops).

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.

The Trust occupies land and buildings provided to it by the Diocesan Trustees under a license (also referred to as a Church Supplementary Agreement) which contains a two year notice period. Having considered the fact that the Trust occupies the land and buildings by a license that transfers to the Trust no right or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreement, the Trustees have concluded that the value of the land and buildings occupied by the trust will not be recognised or valued within fixed assets.

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

- Freehold land Nil
- Fixtures, fittings and equipment 5 years (20% p.a.)
- Computer hardware 3 years (33.3% p.a.)
- Motor vehicles 5 years (20% p.a.)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Capital improvements to Diocesan owned property are recognised as expenditure.

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 incorporating the Income and Expenditure Accounts.

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

1. Statement of accounting policies (continued)

1.8 Provisions

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

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

1.9 Leased Assets

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

1.10 Financial Instruments

The Trust holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the trust and their measurement bases are as follows:

- Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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 instruments, and are measured at amortised costs. 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.

1.11 Stock

Stationery bought in advance of the academic year and unsold uniform are recognised as stocks and are valued at the lower of cost and net realisable value.

1.12 Taxation

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

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

1.13 Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the 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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

1. Statement of accounting policies (continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/ (expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and primarily include grants from the Education and Skills Funding Agency and London Borough of Newham.

1.15 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 Trustees make 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 LGPS 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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the Actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Currently there are no critical judgements to disclose, other than those mentioned above and in note 13 regarding exclusion of land and buildings from the Trust's Balance Sheet.

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

2. Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Capital grants	-	371	371	239
Donated fixed assets	-	47	47	-
Notional rent (see note 30)	-	679	679	527
Other donations	40	2	42	92
	40	1,099	1,139	858

In 2019/20 capital grants of £239,000 was in relation to restricted fixed asset funds and notional rent income was £527,000, all of which was restricted. In 2019/20 income from other donations was £92,000, of which £18,000 was unrestricted and £74,000 was restricted.

Other donations primarily include donations by the St Francis' Fund (charity) and other local companies to support our Schools during the pandemic.

3. Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020/21 £'000	Total 2019/20 as restated £'000
DfE/EFA grants				
General Annual Grant (GAG)	-	10,281	10,281	8,077
Other DfE/ESFA grants				
Pupil Premium	-	565	565	434
UIFSM	-	224	224	146
PE and Sports Grant	-	96	96	76
Teachers' Pay Grant	-	114	114	89
Teachers' Pension Grant	-	360	360	289
Rates Reclaim	-	49	49	41
FSM Supplementary Grant	-	55	55	30
Others	-	5	5	-
Teaching School Grant	-	135	135	94
	-	11,885	11,885	9,276
Other government grants				
Local Authority grants	-	2,289	2,289	1,597
Other Government grants	-	6	6	6
	-	2,294	2,294	1,603
Covid-19 additional funding (DfE/ESFA)				
Coronavirus exceptional support	-	24	24	34
Catch-up Premium	-	145	145	-
Other Covid-19 funding	-	-	-	-
	-	169	169	34
Other income from the Trust's educational operations	-	360	360	312
Teaching School	-	52	52	101
	-	14,760	14,760	11,326

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

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

3. Funding for the Trust's educational operations (continued)

In 2019/20, all the income from charitable activities related to restricted funds. There were no unfulfilled conditions for grants recognised in the reporting period.

The Trust received £145k of funding for catch-up premium in 2020/21. As detailed in the Trustees' Report on page 13, a variety of interventions and catch up programmes have been delivered by our Academies to ensure that pupils are supported and the cost incurred in respect of the funding received has exceeded the grant of £145k therefore no grant carried over to 2021/22.

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 for 2019/20 is shown above under "Coronavirus exceptional support".

The funding received for coronavirus exceptional support in 2020/21 covers £34k of additional cleaning and FSM voucher costs. These costs are included in notes 6, 7 and 8 below as appropriate.

The income of £24k shown in this category for 2020/21 relates to our new academy, St Antony's, as the grant was received in September 2020 it was not included in the Funds inherited on conversion balance.

The Trust had not furloughed any of its staff under the Government's CJRS; therefore no funding was received with regards to staff costs.

4. Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Hire of facilities	3	-	3	3
Uniform sale	1	-	1	-
Income for professional services	17	-	17	13
Other	4	7	11	11
	25	7	31	27

These activities principally relate to charitable and ancillary trading. In 2019/20, of total income from other trading activities, £21,000 was unrestricted and £6,000 was restricted. In 2019/20, facilities income was £3,000 of which all was unrestricted. In 2019/20, there was no uniform income. In 2019/20, professional services income was £13,000 of which all was unrestricted. In 2019/20, other income was £11,000 of which £5,000 was unrestricted and £6,000 was restricted.

5. Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Interest on current accounts	1	-	1	1
Interest on short term deposits	-	-	-	1
	1	-	1	2

In 2019/20, all investment income related to unrestricted funds.

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

6. Expenditure

	Non pay expenditure		Total 2019/20 £'000	Total 2018/19 £'000	
	Staff cost	Premises			Other
	£'000	£'000			£'000
Expenditure on raising funds:					
- Direct costs	-	-	1	1	
Grants	-	195	-	54	
Trust's educational operations:					
- Direct costs	10,991	205	791	9,181	
- Allocated support costs	1,639	1,334	1,207	3,198	
Teaching School	114	-	58	200	
Other	-	-	-	-	
	12,744	1,734	2,058	16,535	
				12,634	

In 2019/20, of the total expenditure, £1,000 was to unrestricted funds, £12,422,000 was to restricted funds and £211,000 was to restricted fixed asset funds.

In 2019/20, expenditure on raising funds consisted of £1,000 other expenditure and grants expenditure of £54,000 related to premises costs.

In 2019/20 educational operations direct costs consisted of £8,259,000 staff costs, £156,000 premises costs and £766,000 other expenditure. In addition, 2019/20 support costs consisted of £1,111,000 staff costs, £1,165,000 premises costs and £922,000 other expenditure.

In 2019/20 teaching school costs consisted of £104,000 staff costs and £96,000 other expenditure.

Net income / (expenditure) for the period includes:

	2020/21 £'000	2019/20 £'000
Operating lease rentals	22	13
Depreciation	205	156
Amortisation of intangible assets	-	1
Fees payable to Auditors for:		
- audit	17	18
- other services	3	1

There were no compensation or ex-gratia payments made in 2020/21 and in 2019/20.

7. Analysis of grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020/21 £'000	Total 2019/20 £'000
Improvements to Diocesan property occupied by the Trust	-	195	195	54
	-	195	195	54

Both in 2020/21 and 2019/20 the expenditure was incurred mainly in relation to the boiler replacement works at St Helen's Catholic Primary School and were related to restricted funds.

Improvements to the Academy's land and buildings, with a total cost of £195k (2019/20: £54k) were identified within expenditure that would usually be capitalised and classed as an addition in the Fixed Asset Register. However, following the AAD 2020/21, due to the Academy's land and buildings being owned by the Diocese of Brentwood, these improvements to the diocesan property occupied by the Academy Trust are to be included as expenditure in the SOFA.

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

8. Charitable activities

	Total 2020/21 £'000	Total 2019/20 £'000
Direct costs - educational operations	11,986	9,181
Support costs – educational operations	4,180	3,198
Total direct and support costs	16,166	12,379

In 2019/20, of the total expenditure on charitable activities, £12,222,000 was to restricted funds and £158,000 was to restricted fixed asset funds.

Analysis of support costs

	Total 2020/21 £'000	Total 2019/20 £'000
Support staff costs	1,639	1,111
Amortisation	-	1
Technology costs	34	31
Premises costs	1,334	1,165
Legal costs - conversion	-	4
Legal costs - other	18	6
Other support costs	947	705
Governance costs	62	58
Pension Fund finance costs	146	117
Total support costs	4,180	3,198

Governance costs include costs associated with the strategic management of the Trust and costs relating to constitutional and statutory requirements, such as audit fees, clerking and meeting costs and Trustees and Governors training. It also includes academy conversion costs associated with the new schools joined the Trust (excluding legal costs).

9. Central Services

The Trust has provided the following central services to its Academies during the year (2019/20: No central services were provided by the Trust to its Academies during the period and no central charges arose):

- Strategic, compliance and financial management through the CAO and CFO
- IT support services
- Educational support services –Speech and Language therapist
- Procurement services
- Audit and supplementary assurance

The Trust charges for these services based on pupil numbers by Academies at the January census. The Academies can opt in to certain services (e.g. IT support) similarly to a service level agreement, while other services are mandatory for all schools (compliance, financial management).

The amounts charged during the year were as follows:

	2020/21 £'000	2019/20 £'000
St Antony's	91	-
St Edward's	103	-
St Francis'	60	-
St Helen's	136	-
St Joachim's	74	-
	464	-

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

10. Staff

a) Staff costs

Staff costs during the period were:

	Total 2020/21 £'000	Total 2019/20 £'000
Wages and salaries	8,871	6,711
Social security costs (incl apprenticeship levy)	893	679
Operating cost of defined benefit pension schemes	2,875	1,939
	12,638	9,329
Agency staff costs	106	146
Total Staff costs	12,744	9,475

There were no staff restructuring costs incurred in 2020/21 and 2019/20 and no non-statutory or non-contractual severance payments were made in the reporting period (2019/20: £nil).

b) Staff numbers

The average and full time equivalent (FTE) number of persons employed by the Trust during the period was as follows:

	2020/21 Ave. no.	2020/21 FTE	2019/20 Ave. no.	2019/20 FTE
Teachers	101	94	80	76
Administration and support	199	144	142	103
Management	17	16	12	12
	318	254	234	191

c) Higher paid staff

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

	2020/21 No.	2019/20 No.
£60,000-£70,000	8	8
£70,001-£80,000	2	0
£80,001-£90,000	1	1
£90,001-£100,000	2	1
£100,001 -£110,000	1	1
£110,001 -£120,000	0	1

The above employees participated in the Teachers' Pension Scheme (TPS). During the year ended 31 August 2021, employer pension contributions for these employees amounted to £199,061 (2019/20:£193,291).

d) Key management personnel

The key management personnel of the Trust comprise the Trustees and the SLT as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance) received in the period by key management personnel for their services to the Trust was £685,000 (2019/20: £589,000). Non-executive Directors are not remunerated by the Trust.

Included in the above are employer pension contributions of £76,000 (2019/20: £85,000) and employer National Insurance contributions of £67,000 (2019/20: £58,000).

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

11. Related Party Transactions – Trustees’ and Governors’ remuneration and expenses

No Trustees have been paid remuneration or have received other benefits from an employment with the Trust during the 2020/21 academic year (2019/20: £nil).

During the period ended 31 August 2021, no Local Governors (staff governors) received reimbursements of expenses for their role as Governors. Reimbursements for purchase of learning resources were paid to Local Governors (staff governors only) in relation to their role as staff members totalling £741 (2019/20: £3,561).

Other related party transactions involving the Trustees or Governors’ are set out in note 30.

12. Trustees and officers insurance

The Trust has opted into the Department for Education’s risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provide cover up to £10,000,000. It is not possible to quantify the Trustees, Governors and Officers indemnity element from the overall cost of the RPA scheme membership.

13. Tangible fixed assets

	Freehold land £,000	Computer hardware £,000	Furniture & equipment £,000	Motor vehicle £,000	Total £,000
Costs					
At 1 September 2020	155	230	295	68	749
Transfer on conversion	-	13	7	-	20
Additions	-	208	7	-	215
Disposals	-	(17)	(36)	-	(53)
At 31 August 2021	155	434	274	68	931
Depreciation					
At 1 September 2020	-	74	96	43	212
Charged in year	-	115	73	16	205
Disposals	-	(17)	(36)	-	(53)
At 31 August 2021	-	172	133	59	364
Net book values					
At 31 August 2020	155	156	199	26	537
At 31 August 2021	155	261	141	10	567

Land and buildings include freehold land transferred on conversion from the London Borough of Newham for no consideration, which was valued on the basis of fair value as at that date at £155,000 by an independent professional property surveyor, Aitchison Raffety. The valuation was based on replacement cost method of valuation.

Fully depreciated assets are shown as disposals in both costs and depreciation in the table above.

14. Stock

	2021 £'000	2020 £'000
Educational books & stationary	20	18
	20	18

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

15. Debtors

	2021	2020
	£,000	£,000
Due within one year		
Trade debtors	37	30
Less bad debt provision	(7)	-
VAT recoverable	64	60
Prepayments and accrued income	653	388
Other debtors (see note 30)	679	527
	1,427	1,005
Due after more than one year		
Other debtors (see note 30)	1,358	1,054
Total debtors	2,785	2,059

16. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	366	267
Taxation and social security	209	161
GAG advance (CIF project)	21	21
Salix loan	3	-
Other creditors	916	627
Accruals and deferred income	706	917
	2,221	1,993

Deferred income

Deferred income at 1 September 2020	618	618
Released from previous period	(618)	(298)
Resources deferred in the period	569	618
Deferred income at 31 August 2021	569	618

Deferred income held at 31 August 2021 includes:

- Universal Infant Free School Meal Grant of £154,000 received from ESFA in relation to 2021/22 (2020: £131,000);
- Teaching School Core Funding of £Nil received from ESFA in relation to 2021/22 (2020: £23,000);
- Business rate refund of £28,000 received from ESFA in relation to 2021/22 (2020: £24,000);
- Early Years Foundation Stage grants of 182,000 received from the London Borough of Newham (LBN) in relation to 2021/22 (2020: £205,000);
- Growth Fund grant of £108,000 received from LBN in relation to the additional class started in September 2021 (2020: £108,000);
- Falling Roll grant of £41,000 received from LBN in relation to 2021/22 (2020: £60,000)
- Higher Needs grant of £54,000 received from LBN and LBWF in relation to 2021/22 (2020: £66,000); and
- Parental contribution of £1,500 received in relation to an educational visit to be held in 2021/22 and pre-school nursery fees for September 2021 (2020: £nil).

Other creditors includes £679,000 (2020:£527,000) for the future notional rental expense with regards to the Church owned/leased premises occupied by the Trust.

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

	2021	2020
	£'000	£'000
GAG in advance (CIF project)	107	129
Salix loan	17	-
Other creditors	1,358	1,054
	1,483	1,183

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

17. Creditors: amounts falling due after more than one year (continued)

The Trust received GAG advance of £91,000 in 2019/20 and £59,000 in 2017/18 from the ESFA under the Condition Improvement Fund scheme in relation to St Joachim's school expansion project. The GAG advance is repayable over 7 years subsequent of the completion of the project at a fixed interest rate of 1.12%. The actual completion date of the project was September 2019 and repayment have commenced in September 2020.

In addition, a Salix loan of £20,000 has been received in 2020/21 in relation to the boiler refurbishment CIF project at St Helen's, the loan is interest free and repayable over 8 years, starting in September 2021.

The other creditor related to the future notional rental expense with regards to the church owned/leased premises occupied by the Trust.

18. Funds

	Balance at 1 September 2020	Income	Expenditure	Transfer on Conversion	Gains, losses and transfers	Balance at 31 August 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted general funds						
General Annual Grant	-	10,281	(10,281)	-	-	-
Pupil Premium	-	565	(565)	-	-	-
UIFSM	-	224	(224)	-	-	-
PE and Sports Grant	-	96	(96)	-	-	-
Teachers' Pay Grant	-	114	(114)	-	-	-
Teachers' Pension	-	360	(360)	-	-	-
Rates Reclaim	-	49	(49)	-	-	-
FSM Supplementary	-	55	(55)	-	-	-
Catch-up Premium	-	145	(145)	-	-	-
Other Covid-19 funding	-	24	(24)	-	-	-
Teaching School	-	135	(135)	-	-	-
Other ESFA grant	-	5	(5)	-	-	-
Other Government grants	-	2,294	(2,294)	-	-	-
Other activities	263	1,099	(830)	-	37	571
Pension reserve	(7,660)	-	(957)	(1,738)	(1,161)	(11,516)
	(7,397)	15,447	(16,135)	(1,738)	(1,124)	(10,945)
Restricted fixed assets funds						
Transfer on conversion	280	-	(71)	20	-	229
DfE/ESFA capital grants	89	371	(195)	-	76	341
Donated assets	-	47	(9)	-	-	38
Capital expenditure from unrestricted funds	107	-	(125)	-	126	108
	476	418	(399)	20	202	717
Total restricted funds	(6,920)	15,685	(16,534)	20	(922)	(10,229)
Total unrestricted funds	1,063	66	(1)	445	(239)	1,334
Total funds	(5,857)	15,931	(16,535)	(1,273)	(1,161)	(8,895)

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

18. Funds (continued)

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

General Annual Grant (GAG)

This represents funding from the ESFA to cover costs of recurrent expenditure. Under the funding agreement with the Secretary of State, the Trust is not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021 or at 31 August 2020.

Pupil premium, UIFSM, PE and Sport Grant, Teacher' Pay Grant, Teacher' Pension Grant and Other ESFA grant

These funds represents funding from the ESFA for specific purposes such as provision for free school meal pupils, universal infant free school meals, PE and sports activities, increase in teachers' pay and pension contributions and so on. Specific funding conditions apply for these grants as published by the ESFA.

Covid catch-up premium and other covid grants

These funds represent funding from the ESFA to address specific issues in relation to the impact of the coronavirus pandemic on the operation of the education sector and academies.

Other government grants

This fund represents funding primarily from the London Borough of Newham for EYFS services for 2 and 3 year olds, higher needs pupils and KS2 meals (Mayoral promise). Any unspent grant in a year is used to enhance the educational operation of the Trust in the coming years.

Restricted fund generated on other activities

This fund primarily represents parental contributions for extended school provision and educational visits. Any unspent fund in a year is used to enhance the educational operation of the Trust in the coming years.

Pension reserve

This fund represents the Trust's share of the deficit on the LGPS transferred to the Trust on conversion from state controlled schools. The pension reserve is revalued at each year-end by professional actuaries as shown in gains and losses above.

Restricted fixed assets funds

This fund represents resources which are to be applied to specific capital purposes. The transfer of funds relate to fixed assets purchased out of unrestricted funds.

Unrestricted funds

This fund represents the remaining carry forward balance from income generated by the schools (e.g. hire of facilities) and other donations where no specific intention for the income has been specified (e.g. donation from friends of the schools) The Trust is aiming to use this fund to support its educational operation in the coming years.

The cash received from the LBN of £439,000 for the new academy which joined the Trust on 1 September 2020 (2019: £745,000) represent the budget surplus at the date of conversion, which is classed as unrestricted funds in line with the Academies Accounts Direction.

Review of restricted general funds (excluding pension reserve) and unrestricted funds

The Trust is carrying a net surplus of £1,904,000 (2020:£1,327,000) on restricted general and unrestricted funds and is planning to utilise these surplus funds to support its educational operation in the coming years.

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

18. Funds (continued)

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

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfer on Conversion £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 (restated) £'000
Restricted general funds						
General Annual Grant (GAG)	-	8,077	(8,077)	-	-	-
Pupil Premium	-	434	(434)	-	-	-
UIFSM	-	176	(176)	-	-	-
PE and Sports Grant	-	76	(76)	-	-	-
Teachers' Pay Grant	-	89	(89)	-	-	-
Teachers' Pension Grant	-	289	(289)	-	-	-
Rates Reclaim	-	41	(41)	-	-	-
Coronavirus exceptional support	-	34	(34)	-	-	-
Teaching School Grants	-	94	(94)	-	-	-
Other Government grants	-	1,603	(1,603)	-	-	-
Other activities	333	953	(988)	-	(34)	263
Pension reserve	(4,357)	-	(521)	(2,180)	(602)	(7,660)
	(4,024)	11,866	(12,422)	(2,180)	(636)	(7,397)
Restricted fixed assets funds						
Transfer on conversion	162	-	(72)	190	-	280
DfE/ESFA capital grants	(96)	239	(54)	-	-	89
Capital expenditure from unrestricted funds	90	68	(85)	-	34	107
	156	307	(211)	190	34	476
Total restricted funds	(3,868)	12,172	(12,633)	190	(602)	(6,920)
Total unrestricted funds	279	40	(1)	745	-	1,063
Total funds	(3,588)	12,212	(12,634)	(1,245)	(602)	(5,857)

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

18. Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	2021 £'000	2020 £'000
St Antony's Catholic Primary School	371	-
St Edward's Catholic Primary School	441	499
St Francis' Catholic Primary School	184	67
St Helen's Catholic Primary School	570	498
St Joachim's Catholic Primary School	299	263
Central Services	39	-
Total before fixed assets and pension reserve	<u>1,904</u>	1,327
Restricted fixed assets fund	717	476
Pension reserve	<u>(11,516)</u>	<u>(7,660)</u>
Total	(8,895)	(5,857)

Total cost analysis by academy:

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

	Teaching & educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2020/21 £'000	Total 2019/20 £'000
St Antony's	2,167	257	28	545	2,997	-
St Edward's	2,011	311	45	711	3,078	3,062
St Francis'	2,024	316	35	562	2,938	3,195
St Helen's	2,506	286	61	924	3,777	3,657
St Joachim's	1,471	194	53	404	2,122	2,042
Central Services	1	274	-	187	462	-
Pension & interest	811	-	-	146	957	521
Trust	10,991	1,639	222	3,479	16,331	12,476

The valuation of the LGPS is undertaken on the Trust level therefore the pension and interest disclosed above relating to this pension scheme cannot be split by each academy.

19. Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000	2020 Total funds £'000
Tangible fixed assets	-	-	567	567	537
Current assets	1,334	4,094	330	5,758	4,441
Current liabilities	-	(2,165)	(56)	(2,221)	(1,993)
Non-current liabilities	-	(1,358)	(125)	(1,483)	(1,183)
Pension scheme liabilities	-	(11,516)	-	(11,516)	(7,660)
Total net assets	1,334	(10,945)	717	(8,895)	(5,857)

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

19. Analysis of net assets between funds (continued)

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

	Unrestricted funds	Restricted general funds	Restricted fixed assets funds	2020 Total funds	2019 Total funds
	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	-	-	-	-	1
Tangible fixed assets	-	-	537	537	305
Current assets	1,063	3,289	90	4,441	1,736
Current liabilities	-	(1,972)	(21)	(1,993)	(838)
Non-current liabilities	-	(1,054)	(129)	(1,183)	(437)
Pension scheme liabilities	-	(7,660)	-	(7,660)	(4,357)
Total net assets	1,063	(7,397)	476	(5,857)	(3,588)

20. Capital commitments

	2021 Total £'000	2020 Total £'000
Contracted for but not provided in the financial statements	348	165
Total	348	165

In 2019/20 St Helen's Catholic Primary School has secured a CIF grant of £143,000 for boiler replacement works. The project started on site in August 2020 and completed in June 2021. The total project cost was £216,000, of which £163,000 has been incurred in 2020/21 and £54,000 in 2019/20. The actual CIF grant received was £141,000 with School contribution of £54,000.

The capital commitments as at 31 August 2021 relate to the two ongoing CIF projects at St Francis' and St Joachim's, both roof replacement works.

21. Operating leases

At 31 August 2021 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 Total £'000	2020 Total £'000
Amounts due within one year	18	12
Amounts due between one and five years	14	5
Amounts due after five years	-	-
Total	32	17

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

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

	2020/21	2019/20
	Total	Total
	£,000	£'000
Net (expenditure) for the reporting period (as per Statement of Financial Activities)	(1,877)	(1,667)
Adjusted for:		
Amortisation and depreciation charges	205	158
Capital grants from DfE and other capital income	(371)	(307)
Interest receivable	(1)	(2)
Fixed assets inherited on conversion	(20)	(190)
Cash transferred to Academy Trust on conversion	(445)	(745)
Defined benefit pension scheme obligation inherited	1,738	2,180
Defined benefit pension scheme cost less contribution payable	811	404
Defined benefit pension scheme finance costs	142	115
Defined benefit pension scheme administrative expenses	4	2
(Increase)/decrease in stock	(1)	(3)
(Increase)/decrease in debtors	(726)	(1,152)
Increase/(decrease) in creditors	530	1,809
Net cash provided by /(used in) operating activities	(11)	603

23. Cash flows from financing activities

	2020/21	2019/20
	Total	Total
	£'000	£'000
Cash transferred to Academy Trust on conversion	445	745
Cash inflows from new borrowing	20	91
Repayment of borrowing	(21)	-
Net cash provided by /(used in) financing activities	443	836

24. Cash flows from investing activities

	2020/21	2019/20
	Total	Total
	£'000	£'000
Interest received from investment	1	2
Purchase of tangible fixed assets	(215)	(198)
Capital grants from DfE / ESFA	371	239
Capital funding received from sponsors and others	-	68
Net cash provided by /(used in) investing activities	157	111

25. Analysis of cash and cash equivalents

	At 31	At 31
	August	August
	2021	2020
	£'000	£'000
Cash in hand and at bank	2,478	1,889
Notice deposits (less than 3 months)	475	475
Total cash and cash equivalents	2,953	2,364

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

26. Analysis of changes in net debt

	At 1 September 2020 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 August 2021 £'000
Cash	2,364	589	-	2,953
	2,364	589	-	2,953
Loans falling due within 1 year (GAG advance & Salix loan)	(21)	(3)	-	(24)
Loans falling due after more than 1 year (GAG advance & Salix loan)	(129)	4	-	(125)
Total	2,214	590	-	2,804

27. Contingent liabilities

The Trust had no contingent liabilities, which were not provided for in the financial statements as at 31 August 2021 (2020: £nil).

28. Members liability

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

29. Pension and similar obligations

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

The Trust has obtained a valuation of defined benefit obligations in respect of the LGPS from the scheme actuary. The valuation has been carried out in accordance with section 28 of FRS102.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £230,000 were payable to the schemes at 31 August 2021 (2019/20: £85,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

29. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension contribution paid to TPS in the period amounted to £1,086,701 (2020: £906,322). Employee contributions for the same period amounted to £453,065 (2020: £385,234).

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

Under the definitions set out in FRS102, the TPS is an unfunded 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 (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,185,431 (2020: £766,577), of which employer's contributions totalled £974,503 (2020: £622,637) and employees' contributions totalled £210,928 (2020: £143,940). The agreed contribution rates for future years are 27.6% (2020: 27.6%) per cent for employers and between 5.5%-12.5% per cent for employees.

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

Principal actuarial assumptions

	At 31 August 2021	At 31 August 2020
Inflation assumption (RPI)	3.20%	3.10%
Inflation assumption (CPI)	2.90%	2.30%
Rate of increase in salaries	3.90%	3.30%
Rate of increase for pension in payment/inflation	2.90%	2.30%
Discount rate	1.65%	1.60%
Commutation of pension to lump sum	50.0%	50.0%

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

29. Pension and similar obligations (continued)

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

	At 31 August 2021	At 31 August 2020
Retiring today		
Males	21.4	21.3
Females	24.0	23.9
Retiring in 20 years		
Males	22.9	22.8
Females	25.6	25.5

The Trust's share of the assets in the scheme was as follows, which were estimated to be less than 1% of total assets of the fund:

	Bid value at 31 August 2021 £'000	Bid value at 31 August 2020 £'000
Equities	4,284	2,308
Gilts	577	217
Other bonds	-	421
Property	676	419
Cash	395	303
Alternative assets	1,089	699
Total	7,021	4,367

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2021 is estimated to be 12.22% (2020: -3%). The actual return on fund assets for the period to 31 August 2021 was £707,000 (2020: -£132,000).

Statement of financial position

	At 31 August 2021 £'000	At 31 August 2020 £'000
Present value of defined benefit contribution	(18,537)	(12,027)
Fair value of fund assets (bid value)	7,021	4,367
Net defined benefit (liability) /asset	(11,516)	(7,660)

Amounts recognised in the statement of financial activities

	2020/21 Total £'000	2019/20 Total £'000
Service cost	3,553	3,200
Net interest on defined liability	142	115
Administration expenses	4	2
Total operating charge	3,699	3,317

Analysis of pension finance (income)/costs

Interest cost	235	191
Interest on assets	(93)	(76)
Pension finance (income)/cost	142	115

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

29. Pension and similar obligations (continued)

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

	2020/21	2019/20
	Total	Total
	£'000	£'000
1 September	12,027	6,344
Current service cost	1,815	1,020
Interest cost	235	191
Change in financial assumptions	2,034	769
Change in demographic assumptions	-	(757)
Experience loss/(gain) on defined benefit obligation	(259)	492
Liabilities assumed/(extinguished) on settlements	2,673	4,021
Estimated benefits paid net of transfers in	(206)	(199)
Past service costs, including curtailments	-	-
Contribution by scheme participant and other employers	218	146
At 31 August	18,537	12,027

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

	2020/21	2019/20
	Total	Total
	£'000	£'000
1 September	4,367	1,987
Interest on assets	93	76
Return on assets less interest	614	(208)
Other actuarial gains/(losses)	-	110
Administration expenses	(4)	(2)
Contributions by employer including unfunded	1,004	616
Contributions by scheme participants and other employees	218	146
Estimated benefits paid plus unfunded net of transfers in	(206)	(199)
Settlement prices received / (paid)	935	1,841
At 31 August	7,021	4,367

Sensitivity analysis of principal assumptions used:

The sensitivity analysis detailed below would increase the closing defined benefit obligation in the following way:

	2021	2021	2021
	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	18,126	18,537	18,957
Projected service cost	2,069	2,137	2,207
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	18,579	18,537	18,496
Projected service cost	2,139	2,137	2,136
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	18,910	18,537	18,172
Projected service cost	2,206	2,137	2,070
Adjustment to life expectancy assumptions	+1 year	none	-1 year
Present value of total obligation	19,355	18,537	17,753
Projected service cost	2,241	2,137	2,038

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

30. Related and connected party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees and Local Governing Bodies being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees, Governors or members of the key management personnel 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transaction took place in the financial period:

- The Trust operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Diocese, the Trust and the Secretary of State, the Diocese would be required to give 24 month notice from the year end if it wished to terminate the agreement. No such notice has been given at the year end and the Diocese is therefore committed to provide the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the costs of renting equivalent premises would be £679,000 per annum (2019/20: £527,000). On this basis a donation from the Diocese of £679,000 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors and creditors is a donation in kind receivable/payable of £2,037,000 (2019/20: £1,581,000) representing the commitment by the Diocese to provide the land and buildings for rent free for a further 36 months. The equivalent amount is also included in creditors.
- During the period the Trust incurred expenditure of £24,024 (2020: £11,855) in relation to educational support services from The Brentwood Roman Catholic Diocesan Trust (BRCDT) and £35 (2020: £800) for training courses and RE educational resources supplied by BRCDT. Right Reverend A Williams, a member of the Trust, is a director of the sole trustee of The Brentwood Roman Catholic Diocesan Trust. At the period end no balance was due to The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams is entitled to exercise 10% of the voting power at The Brentwood Roman Catholic Diocesan Trust and has no financial or profit share entitlement so transactions with The Brentwood Roman Catholic Diocesan Trust are not subject to the 'at cost' rules set out in the Academies Financial Handbook.
- In 2019/20, St Francis Catholic Primary School has engaged Xenogenesis Ltd, a company owned by the husband of the Head teacher, N Scott, to provide a workshop to parents and staff members on Black History month for a fee of £500. The transaction has been registered on the DfE related party portal in 2019/20. No transactions were undertaken with Xenogenesis Ltd in 2020/21.
- In 2019/20, St Edward's Catholic Primary School has commissioned Big Roar Creative, owned by the sister in-law of the former Head teacher, C Mabey, to create document design and art illustrations for a fee of £1,100. The transaction has been registered on the DfE related party portal in 2019/20. No transactions were undertaken with this supplier in 2020/21 and the supplier is no longer considered a related party as C Mabey has left the Trust on 31 August 2020.

There were no other related party transactions during the year ended 31 August 2021 (2020: none).

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

31. Teaching school trading account

St Edward's Catholic Primary School, one of the new academies which joined the Trust on 1 September 2019, is a teaching school. The trading account for the teaching school is shown below:

	2020/21	2019/20
	Total	Total
	£'000	£'000
Income		
Direct Income		
Grants	135	94
Other Income		
Fundraising and other trading activities	52	101
Total Income	187	195
Expenditure		
Direct Costs		
Direct Staff costs	92	89
Staff development	-	-
Other direct costs	21	21
Total Direct Costs	113	110
Other Costs		
Support staff costs	22	16
Technology costs	-	-
Recruitment and Support	-	-
Other support costs	37	74
Total Other Costs	59	90
Total Expenditure	172	200
Transfer between funds	-	-
Surplus /(Deficit) from all resources	15	(5)
Teaching school balances at 1 September 2020	(5)	-
Teaching school balances at 31 August 2021	10	(5)

St Edward's paid £4,200 to St Antony's (another academy in the Trust) with regards to a trainee teachers in 2020/21 (2019/20: £8,400 paid to St Joachim's for 2 trainee teachers) which is eliminated on consolidation for the purpose of these accounts. Therefore, the actual surplus of the teaching school was £15,000 in 2020/21 (2019/20: £13,000 deficit).

The teaching school provision at St Edward's has closed on 31 August 2021.

Our Lady of Grace Catholic Academy Trust

Notes to the Financial Statements for the year ended 31 August 2021 (continued)

32. Conversion to Academy

On 1 September 2020 St Antony's Catholic Primary School converted to academy status under the Academies Act 2010 and all operations and assets and liabilities were transferred to Our Lady of Grace Catholic Academy Trust from the London Borough of Newham for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA in 2020/21:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total Funds £'000
Tangible fixed assets				
Other tangible fixed assets	-	-	20	20
Cash – representing budget surplus on LA funds	445	-	-	445
LGPS pension (deficit)	-	(1,738)	-	(1,738)
Total net assets	445	(1,738)	20	(1,273)

For comparison purposes, on 1 September 2019 St Edward's Catholic Primary School and St Francis' Catholic Primary School converted to academy status under the Academies Act 2010 and all operations and assets and liabilities were transferred to Our Lady of Grace Catholic Academy Trust from the London Borough of Newham for £nil consideration.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA in 2019/20:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Assets Funds £'000	Total Funds £'000
Tangible fixed assets				
Other tangible fixed assets	-	-	190	190
Cash – representing budget surplus on LA funds	745	-	-	745
LGPS pension (deficit)	-	(2,180)	-	(2,180)
Total net assets	745	(2,180)	190	(1,245)

The basis for valuation of the above assets and liabilities is detailed in the Trust's accounting policies note (note 1) on pages 33-37.