

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Bishop A Williams Brentwood Roman Catholic Diocese Trust Fr S Myers
Trustees	C M Warnick M Coleman, Chair of Trustees E Okapanachi K Fernet R Gabrasadig M J Flores (appointed 30 September 2022) P Kelk (appointed 20 Sept 2022) R McGlynn (appointed 3 August 2022) S Webb (Resigned 31 August 2022) J Anthony (Resigned 31 August 2022)
Company registered number	09435396
Company name	Our Lady of Grace Catholic Academy Trust
Principal and registered office	Chargeable Lane London E13 8DW
Chief Financial Officer	M Akhtar
Chief Executive Officer	N Cashell
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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 31 August 2022. 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 six Primary Academies in Newham, in London (the Schools or the Academies) as follows:

- St Antony's Catholic Primary School;
- St Edward's Catholic Primary School;
- St Francis' Catholic Primary School;
- St Helen's Catholic Primary School;
- St Joachim's Catholic Primary School; and
- St Winefride's Catholic Primary School (Academy Converter on 1 April 2022).

Our Academies have a combined pupil capacity of 2,355 (excluding part time places in nurseries and pre-school) and had a roll of 2,058 in the school census in January 2022 (2022 January census: 1,797 pupils on roll excluding the new converter Academy). The additional numbers on roll, 280 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 1.

Members' Liability

The Members of the Charitable Company are listed on page 1. 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.

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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 recruit trustees via the website, in local parishes and by using an external agency to ensure suitable skills set. During 2021/22 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 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 Diocese of Brentwood provide 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. 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 a named Link Trustee and 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.

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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 Chief Accounting Officer (CAO), was appointed on 1st September 2020, in line with the 2016 guidance. Due to the expansion of the Trust currently this role is part-time CAO.

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 1.

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 £10,019 (2021: £8,263) 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 64.

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

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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 currently in the process of establishing a friends' charity. 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.

The Local Authority continues to offer 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 2021 to 31st August 2022. 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 Trust'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 Trust 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 Trust's 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.

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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 in School and in church.
- Promoted Catholic education in Newham with promotional videos for all Schools and the Trust including updating the 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, supporting CAFOD and other organisations.
- Ensured the children from the Schools have participated in the Deanery Citizenship projects based around Catholic Social Teaching.

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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, using EPM as the Trust HR and payroll provider.
- Tendered, negotiated and aligning contract across the Trust where possible to ensure value for money
- Developed an estates management role in order to improve reporting systems to trustees and providing an effective mechanism for monitoring in the Trust, reducing risk and providing a clear focussed plan.
- 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.
- Obtained CIF funding for 2022
- Enhanced its IT capacity with expansion of the Trust IT team servicing a total of six Schools.
- Co-ordinated, through the IT Officer, standard inventories, disposal of redundant equipment, prioritising of new and replacement devices; upgraded wireless access points and broadband and enhanced cyber securing with third back-up options.

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 subject leadership
- 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.
- 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 through the Quality of Education Committee, providing a forum to support and challenge Headteachers and enabled improved monitoring for attainment and progress 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.
- Providing high quality education to close critical learning gaps created through missed education following Covid.
- Worked tirelessly with all staff and the community to ensure cultural capital, including opportunities for children 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.

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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.

Inspection	St Antony's	St Edward's	St Francis'	St Helen's	St Joachim's	St Winefride's
OFSTED - Judgement prior to conversion if not inspected after conversion	Good (2018)	Outstanding (2009)	Good (2016)	Outstanding (2007)	Good (2021)	Outstanding (2009)
Early Years Provider	N/A	N/A	N/A	Outstanding (2014)	N/A	N/A
Section 48 RE Inspection	Outstanding (2018)	Outstanding (2020)	Outstanding (2016)	Outstanding (2020)	Outstanding (2021)	Outstanding (2022)

Context - (January 2022 Census)	St Antony's	St Edward's	St Francis'	St Helen's	St Joachim's	St Winefride's	National Average (primary)
Number on roll	460	434	358	479	319	288	278
Pupil Premium (disadvantaged)	25%	24%	31%	26%	26%	30%	25%
SEND support	11%	10%	8%	12%	21%	15%	13%
From ethnic minorities	88%	90%	97%	95%	96%	97%	35%
First language not English	41%	58%	40%	54%	85%	55%	21%

All Schools are located in areas of high deprivation; with increasing numbers of families with lower incomes. Some Schools have declining roll due to a number of factors including 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 the Trust is increasing.

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2022	St Antony's %	St Edward's %	St Francis' %	St Helen's %	St Joachim's %	St Winefride's %
Early Years Foundation Stages (EYFS) Good Level of Development (GLD)	85	68	81	64	74	64
Phonics Year 1	67	80	84	65	72	83
Key Stage 1						
Reading	77	69	76	63	88	69
Writing	76	59	64	61	61	61
Maths	72	60	68	71	87	74
R,W,M Combined	75	64	56	59	61	55
Phonics Year 2	80	78	33	73	98	100
Key Stage 2						
Reading	95	90	94	78	87	82
Writing	90	85	82	78	74	68
Maths	91	86	90	76	71	86
R,W,M Combined	90	81	71	62	71	68
Attendance	96	95.2	95.8	96.8	96.2	94.7

All School KS2 data is above the national standard, however there has been an impact on percentage of pupils reaching Age Related Expectations due to Covid in previous 2 years.

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%.

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

Key financial performance indicator	2022/23 Target	2022	2021	2020
Balance budget set & maintained	yes	yes	yes	yes
Positive cash flow forecast for 12 month ahead as at 31 August	yes	yes	yes	yes
Revenue reserve balance at 31 August	5%-10% of total income	£2,103K	£1,904k	£1,327k
Staff cost as a percentage of total costs	Between 70%-80%	78%	77%	75%

Our Lady of Grace Catholic Academy Trust has met all its financial key performance indicators in the reporting periods ended 31 August 2022 and in all previous periods since incorporation.

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.

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 promoted through the 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 Schools' desire to reduce paper and printing usage and ensure efficiency use of utilities, reducing waste where possible.

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.

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The Trust's mid-term financial plans, which are based on predicted pupil numbers, indicate the Schools will still have a positive reserve for the next 3 years ahead, albeit substantially decreased, due to the uncertainties faced with regards to funding levels (e.g. SEND funding), increasing staffing costs and rising costs of utilities, food and resources.

The Trust has made a deficit of £1,121,000 (2020/21: deficit of £1,877,000) in the year (excluding actuarial gain of £9,319,000, (2020/21: actuarial loss of £1,161,000).

Although the Trust is budgeting an in year deficit of £680k for 2022/23 due to planned investment in its Academies' premises, 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.

At 31 August 2022, the Trust had net assets excluding pension liability of £2,210,000 (2020/21: £1,904,000) and pension liability of £3,354,000 (2020/21: £11,516,000). The Trust recognised an actuarial gain with regards to its Local Government Pension Scheme (LGPS) of £9,319,000 (2020/21: actuarial loss of £1,161,000) 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 £15,887,000 (2020/21: £14,572,000) has been received from the ESFA and the London Borough of Newham in the year ended 31 August 2022.

All Schools have used their funding allocation during 2021/22 and detail plans are on each School's website.

The Trust has also received £526,000 (2020/21: £360,000) 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 £345,000 (2020/21: £511,000) during the year, which included £226,000 cash transfer on conversion (2020/21: £445,000) and had carried a surplus of £1,515,000 (2020/21: £1,335,000) 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.).

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

Restricted Funds	31 August 2022	31 August 2021
	£'000	£'000
Fixed assets funds	559	717
General funds	444	571
Pension reserve deficit	(3,354)	(11,516)
Total restricted funds	(2,351)	(10,229)
Unrestricted funds	1,659	1,334
Total funds	(692)	(8,895)

At 31 August 2022 the net book value of fixed assets was £447,000 (2021: £567,000) and the movement in fixed

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assets are shown in note 15 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 34.

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 19 and 20 of these accounts. The Trust's free reserves (considered to be the restricted general funds and unrestricted funds excluding the pension reserve) amounted to £2,657,000 (2021: £2,622,000) at 31 August 2022.

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 Trust will be using £108,000 of its free reserves over the next 5 years 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 2022 or at 31 August 2021.

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 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 2022 (2021: 475,000). The deposit account generates interest at 0.05% p.a (2021: 0.03%). The interest generated during the reporting period amounted to £339 (2021: £251).

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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

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 are undertaken for 2023 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 2022/23 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 Comprehensive risk assessments, H&S policies 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	Cost of living / staffing cost increase	Ensure robust financial planning and modelling is in place to devise sustainable long term finance plans.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

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 £3,354,000 (2021: £11,516,000). 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

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 2022/22 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 enhance 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.
- Use Condition Survey Reports to provide detailed 10-year asset management plans for all Schools to enable prioritisation of capital bids to 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 Catholic Senior Executive Leader (CSEL), ensuring an education focus with robust systems & protocols to identify Schools requiring additional support & intervention, including methods to broker support where needed.
- Continue to 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 and support succession planning for future leaders.

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.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees, on and signed on its behalf by:

26 Jan 2023



M. Coleman (Jan 26, 2023, 4:51pm)
Chair of Trustees

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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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 have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Our Lady of Grace Catholic Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance during the year was as follows:

Trustee	Meetings attended	Out of a possible
C M Warnick	4	4
M A Coleman, Chair of Trustees	4	4
E Okapanachi	4	4
J Anthony	2	4
K Fernett	4	4
R Gabrasadig	4	4
S Webb	3	4
R McGlynn	0	0

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
- beginning to reconsider the role of the CAO / (CSEL)

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board receives excellent high quality and detailed data to ensure financial compliance, monitoring of cashflow 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.

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 not Trustees contribution

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 2023.

There are two sub-committees Finance, Audit and Risk Committee (FAR) 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, M Akhtar, a qualified accountant, reports to this Committee.

Attendance at FAR Committee meetings in the year was as follows

Trustee	Meetings attended	Out of a possible
M Coleman (Vice Chair)	4	4
K Fernet	4	4
M Akhtar	4	4
S Webb (Chair of FAR)	4	4

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Competitive tendering e.g. catering, clerking services and Governance Support
- Effective use of the apprenticeship levy
- Extending the Trust's IT support service to another Trust School, six 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 Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Our Lady of Grace Catholic Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

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 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The Academy'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:

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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 and General Purposes 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
- 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 Rickard Luckin, to provide internal audit services for the Trust for the 2021/22 financial year.

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

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 a 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, provide details of any material control issues arising as a result of the work undertaken and, if relevant, describe what remedial action is being taken to rectify the issues.

Review of effectiveness

As accounting officer, N Cashell, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal 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 Office within the Trust who has responsibility for the development and maintenance of the internal control framework.
- the financial management and governance self-assessment process;
- the School resource management self-assessment tool;;
- correspondence from ESFA e.g. FNtl/Ntl and 'minded to' letters.
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the work of the external Auditors;

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 26 Jan 2023

and signed on their behalf by:



M. Coleman
Chair of Trustees



N. Cashell
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Our Lady of Grace Catholic Academy Trust I have considered my responsibility to notify the Academy 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 Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2021.

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.

N Cashell

N Cashell (Jan 26, 2023, 7:45pm)

N Cashell
Accounting Officer

Date: 26 Jan 2023

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

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



Mark Coleman
Chair of Trustees

Date: 26 Jan 2023

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF GRACE CATHOLIC ACADEMY TRUST**

Opinion

We have audited the financial statements of Our Lady of Grace Catholic Academy Trust (the 'Academy') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 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 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF GRACE CATHOLIC ACADEMY TRUST (CONTINUED)**

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF GRACE CATHOLIC ACADEMY TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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:

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 any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, 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 and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Academy. We assessed details of any breaches where applicable in order to assess the impact upon the Academy.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents 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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUR
LADY OF GRACE CATHOLIC ACADEMY TRUST (CONTINUED)**

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.



Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 27 January 2023

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUR LADY
OF GRACE CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 year 1 September 2021 to 31 August 2022 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 20 March 2015 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUR LADY
OF GRACE CATHOLIC ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**
(CONTINUED)

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.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance of the Trust's activities.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance, and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Academy, 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, propriety and compliance in order to support the regularity conclusions including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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

Date: 27 January 2023

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from:						
Donations and capital grants	3	73	836	160	1,069	1,139
Other trading activities	5	23	20	-	42	32
Investments	6	-	-	-	-	1
Charitable activities	4	-	15,887	-	15,887	14,572
Teaching school		-	83	-	83	187
Transfer on conversion from Local Authority	7	249	-	-	249	(1,273)
Total income		345	16,826	160	17,331	14,658
Expenditure on:						
Charitable activities	8	163	17,817	472	18,452	16,363
Teaching schools		-	-	-	-	172
Total expenditure		163	17,817	472	18,452	16,535
Net income / (expenditure)		182	(991)	(312)	(1,121)	(1,877)
Transfers	20	-	(42)	42	-	-
Net movement in funds before other recognised gains/(losses)		182	(1,033)	(270)	(1,121)	(1,877)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	29	-	9,319	-	9,319	(1,161)
Net movement in funds		182	8,286	(270)	8,198	(3,038)
Reconciliation of funds:						
Total funds brought forward		1,334	(10,945)	717	(8,895)	(5,857)
Net movement in funds		182	8,286	(270)	8,198	(3,038)
Total funds carried forward		1,516	(2,659)	447	(696)	(8,895)

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 33 to 61 form part of these financial statements.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	15	447	567
Current assets			
Stocks	16	12	20
Debtors	17	3,422	2,786
Cash at bank and in hand		2,729	2,953
		6,163	5,759
Creditors: falling due within one year	18	(2,211)	(2,221)
Net current assets		3,952	3,538
Total assets less current liabilities		4,399	4,105
Creditors: falling due after more than one year	19	(1,742)	(1,483)
Net assets excluding pension liability		2,657	2,622
Defined benefit pension scheme liability	29	(3,354)	(11,516)
Total net assets		(697)	(8,894)
 Funds of the Academy			
Restricted funds:			
Fixed asset funds	20	447	717
Restricted income funds	20	695	571
		1,142	1,288
Restricted funds excluding pension asset	20	1,142	1,288
Pension reserve	20	(3,354)	(11,516)
Total restricted funds	20	(2,212)	(10,228)
Unrestricted income funds	20	1,515	1,334
Total funds		(697)	(8,894)

The financial statements on pages 28 to 61 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:

26 Jan 2023


Mick Coleman (Jan 26, 2023, 4:51pm)
Chair of Trustees

The notes on pages 31 to 61 form part of these financial statements.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash used in operating activities	22	(326)	(11)
Cash flows from investing activities	24	81	157
Cash flows from financing activities	23	21	444
Change in cash and cash equivalents in the year		(224)	590
Cash and cash equivalents at the beginning of the year		2,953	2,363
Cash and cash equivalents at the end of the year	25, 26	2,729	2,953

The notes on pages 31 to 61 form part of these financial statements

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 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 Trust's functional and presentational currency is Pounds Sterling and the accounts are rounded to the nearest £1,000.

1.2 Company status

The Trust is a Company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The Registered Office is Chargeable Lane, London, E13 8DW.

1.3 Going concern

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

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 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 £690,000 (£2021 - £8,895,000). These liabilities are caused by the LGPS pension deficit of £3,354,000 (2021 - £11,516,000). 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.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Donated goods, facilities and services**

Donated facilities and services provided to the Trust are recognised at their value to the Trust in their 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 a 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 and independent property surveyor.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Income (continued)

• **Transfer on conversion**

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

1.5 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 the funders where the asset acquired or created is held for a specific purpose.

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

1.6 Expenditure

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

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 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 assets 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:

The estimated useful lives are as follows:

Freehold land	-	Nil
Furniture, fixtures and equipment	-	5 years
Computer hardware	-	3 years
Motor vehicles	-	5 years

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.

1.8 Stocks

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

1.9 Debtors

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

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.10 Cash at bank and in hand

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

1.11 Liabilities

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

1.12 Provisions

Provisions are recognised when the Academy 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.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 cost as detailed in notes 18 and 19. 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.

1.14 Operating leases

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

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.15 Pensions

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

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

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

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

1.16 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from [name of predecessor school] to the Academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note .

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 2022. 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 judgment:

Currently there are no critical judgments to disclose, other than those mentioned above and in note 14 regarding exclusion of land and buildings from the Trust's Balance Sheet.

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	73	17	-	90	89
Donation in Kind	-	819	-	819	679
Government grants	-	-	160	160	371
Total 2022	<u>73</u>	<u>836</u>	<u>160</u>	<u>1,069</u>	<u>1,139</u>
Total 2021	<u>40</u>	<u>728</u>	<u>371</u>	<u>1,139</u>	

In 2021, income from donations was £89,000 of which £49,000 was unrestricted and £40,000 restricted.
In 2021, income from donation in kind (notional rent) was £679,000 of which all was restricted.
In 2021, capital grants of £371,000 were in relation to restricted fixed assets.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Funding for the Academy's charitable activities

	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
DfE/ESFA grants			
General Annual Grant (GAG)	11,456	11,456	10,281
Other DfE/ESFA grants			
Pupil Premium	723	723	565
UFSM	248	248	224
FSM Supplementary Grant	61	61	55
Teacher's Pay Grant	39	39	360
Teacher' Pension Grant	50	50	49
Rates Reclaim	14	14	114
PE and sports grant	-	-	96
Others	1	1	5
	12,592	12,592	11,749
Other Government grants			
Local Authority Grants	2,376	2,376	2,288
Others	-	-	6
	2,376	2,376	2,294
COVID-19 additional funding (DfE/ESFA)			
Coronavirus exceptional support	-	-	24
Covid Catch Up Premium	393	393	145
	393	393	169
Other Income			
Other income from the Trust's educational operations	526	526	360
	526	526	360
Total 2022	15,887	15,887	14,572
Total 2021	14,572	14,572	

In 2021 , income from DFE/ESFA grants was £11,885,000 of which all was restricted. In 2021, income from other Government grants was £2,294,000 of which all was restricted. The Academy received £393,000 (2021:£145,000) of restricted funding for catch-up premium and costs incurred in respect of this funding totalled £393,000 (2021:£145,000) with no funding carried forward into 2022/23. The academy also received £Nil (2021:£24,000) of restricted funding for Coronavirus exceptional support.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from other trading activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Hire of facilities	21	-	21	3
Uniform sales	1	-	1	1
Fundraising	-	-	-	17
Catering income	1	20	21	12
Total 2022	<u>23</u>	<u>20</u>	<u>43</u>	<u>33</u>
Total 2021	<u>26</u>	<u>7</u>	<u>33</u>	

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Investment income	<u>-</u>	<u>-</u>	<u>1</u>
Total 2021	<u>1</u>	<u>1</u>	

7. Transfer on conversion from Local Authority

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Transfer on conversion from Local Authority	<u>249</u>	<u>249</u>	<u>(1,273)</u>
Total 2021	<u>(1,273)</u>	<u>(1,273)</u>	

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

8. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Direct costs	11,517	463	895	12,875	11,999
Allocated support costs	2,224	1,050	2,276	5,550	4,202
Teaching school	-	-	-	-	172
	13,741	1,513	3,171	18,425	16,373
	12,736	1,734	1,903	16,373	
Total 2021					

9. Charitable Activities

	2022 £000
Direct	12,875
Support	5,550
	18,425
	18,425
	2022 £000
Analysis of support costs	
Staff	2,224
Depreciation	223
Technology	4
Premises	1,049
Other	2,050
	5,550
	5,550

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	-	22
Depreciation of tangible fixed assets	223	205
Fees paid to Auditors for:		
- audit	16	17
- other services	4	3
	-	23

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	9,566	8,892
Social security costs	996	884
Pension costs	3,179	2,854
	13,741	12,630
Agency staff costs	-	106
	13,741	12,736

There were no staff restructuring costs incurred in 2021/22 and 2020/21 and no non-statutory or non-contractual severance payments were made in the reporting period (2021 - £nil).

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	97	101
Administration and support	209	199
Management	21	18
	<u>327</u>	<u>318</u>

The average headcount expressed as full-time equivalents was:

	2022 No.	2021 No.
Teachers	85	94
Administration and support	140	144
Management	19	16
	<u>244</u>	<u>254</u>

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	8	8
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	1	1
	<u>14</u>	<u>14</u>

The above employees participated in the Teacher's Pension Scheme (TPS). During the year ended 31 August 2022, employers pension contributions amounted to £187,085 (2021 - £199,061).

d. Key management personnel

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £756,000 (2021 - £685,000). Non-executive Directors are not remunerated by the Trust.

OUR LADY OF GRACE CATHOLIC ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Staff (continued)

d. Key management personnel (continued)

Included in the above are employer pension contributions of £81,000 (2021 - £76,000) and employer National Insurance Contributions of £77,000 (2021 - £67,000).

12. Central services

The Trust has provided the following central services to its Academies during the year:

- 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:

	2022 £000	2021 £000
St Antony's	120	91
St Edward's	113	103
St Francis'	71	60
St Helen's	141	136
St Joachim's	86	74
St Winefride's	32	-
Total	<u>563</u>	<u>464</u>

13. Trustees' remuneration and expenses

No Trustees received any remuneration or have received other benefits from an employment with the Trust during the 2021/22 academic year (2021 - £NIL).

During the period ended 31 August 2022, 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 £NIL (2020/21 - £741).

Other related party transactions involving the Trustees or Governors' are set out in note 31.

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14. 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 covers 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.

15. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2021	155	274	434	68	931
Additions	-	14	65	-	79
On acquisition of subsidiaries	-	7	16	-	23
Other	-	-	(1)	-	(1)
At 31 August 2022	155	295	514	68	1,032
Depreciation					
At 1 September 2021	-	133	173	59	365
Charge for the year	-	63	150	10	223
Other	-	-	(1)	(1)	(2)
At 31 August 2022	-	196	322	68	586
Net book value					
At 31 August 2022	155	99	192	-	446
At 31 August 2021	155	141	261	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.

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16. Stocks

	2022 £000	2021 £000
Work in progress (goods to be sold)	12	20
	12	20

17. Debtors

	2022 £000	2021 £000
Due after more than one year		
Other debtors	1,638	1,358
	1,638	1,358
Due within one year		
Trade debtors	69	30
Other debtors	900	743
Prepayments and accrued income	815	655
	3,422	2,786

18. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Salix Loan	-	3
GAG advance (CIF project)	21	21
Trade creditors	276	366
Other taxation and social security	249	210
Pension fund loan payable	252	230
Other creditors	831	686
Accruals and deferred income	582	705
	2,211	2,221

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	2022 £000	2021 £000
Deferred income at 1 September 2021	569	618
Resources deferred during the year	197	569
Amounts released from previous periods	(569)	(618)
	197	569
	197	569

Deferred income held at 31 August 2022 includes:

- Universal Infant Free School Meal Grant of £159,336 received from the ESFA in relation to 2022/23 (2021 - £154,000);
- Business rate refund of £28,054 received from the ESFA in relation to 2022/23 (2021 - £28,000);
- Early Years Foundation Stage grants of £Nil received from the London Borough of Newham (LBN) in relation to 2022/23 (2021 - £182,000);
- Growth Fund grant of £Nil received from LBN in relation to the additional class started in September 2022 (2021 - £108,000);
- Falling Roll grant of £Nil received from LBN in relation to 2022/23 (2021 - £41,000);
- Higher Needs grant of £Nil received from LBN and LBWF in relation to 2022/23 (2021 - £54,000);
- Parental contribution of £Nil received in relation to an educational visit to be held in 2022/23 and pre-school nursery fees for September 2022 (2021 - £1,500).
- Lettings income of £1,746 (2021: £nil)
- London Borough of Newham (LBN) Inset day funding of £7,518 (2021:£Nil)

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

	2022 £000	2021 £000
Bank loans	19	18
Other loans	86	107
Other creditors	1,637	1,358
	1,742	1,483
	1,742	1,483

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 commenced in September 2020.

In addition a Salix loan of £20,000 was 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 church owned/leased premises occupied by the Trust.

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20. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
General Funds	1,334	344	(163)	-	-	1,515
Restricted general funds						
General Annual Grant (GAG)	-	11,456	(10,719)	(42)	-	695
Other DFE/ ESFA Grants	-	1,906	(1,906)	-	-	-
Teaching School	-	164	(164)	-	-	-
Other Government Grants	-	2,464	(2,464)	-	-	-
Other activities	571	-	(571)	-	-	-
Donation in kind	-	819	(819)	-	-	-
Restricted donations	-	17	(17)	-	-	-
Pension reserve	(11,516)	-	(1,157)	-	9,319	(3,354)
	<u>(10,945)</u>	<u>16,826</u>	<u>(17,817)</u>	<u>(42)</u>	<u>9,319</u>	<u>(2,659)</u>
Restricted fixed asset funds						
Transfer on conversion	229	-	-	(229)	-	-
Donated assets	38	-	-	(38)	-	-
Cap expenditure from GAG	109	-	-	(109)	-	-
DFC	-	134	(54)	(80)	-	-
Other ESFA capital grants	341	26	(196)	(171)	-	-
Restricted fixed asset fund	-	-	(222)	669	-	447
	<u>717</u>	<u>160</u>	<u>(472)</u>	<u>42</u>	<u>-</u>	<u>447</u>
Total Restricted funds	<u>(10,228)</u>	<u>16,986</u>	<u>(18,289)</u>	<u>-</u>	<u>9,319</u>	<u>(2,212)</u>

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20. Statement of funds (continued)

Total funds	(8,894)	17,330	(18,452)	-	9,319	(697)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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 Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022 or at 31 August 2021.

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

These funds represent 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 teacher' 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 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 coming years.

Restricted fund generated on other activities

This fund primarily represents parental contributions for extended school provision and educational visits. Any unspent grant in a year is used to enhance the educational operation of the Trust in 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 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 schools (e.g. hire of facilities) and other donations where no specific intention for income has been specified (e.g. donation from friends of 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 £229,000 for the new Academy which joined the Trust on 1st April 2022. (2021 - £439,000) 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 £2,210,000 (2021 - £1,904,000) on restricted general and unrestricted funds and is planning to utilise these surplus funds to support its educational operation in the coming years.

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20. Statement of funds (continued)

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfer on Conversion £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds	1,063	66	(1)	445	(239)	1,334
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)	-	39	571
Pension reserve	(7,660)	-	(957)	(1,738)	(1,161)	(11,516)
	(7,397)	15,446	(16,134)	(1,738)	(1,122)	(10,945)
Restricted fixed asset funds						
Transfer on conversion	280	-	(71)	20	-	229

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20. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfer on Conversion £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
DfE/ESFA capital grants	89	371	(195)	-	77	342
Donated assets	-	47	(9)	-	-	38
Capital expenditure	107	-	(125)	-	126	108
	<u>476</u>	<u>418</u>	<u>(400)</u>	<u>20</u>	<u>203</u>	<u>717</u>
Total Restricted funds	<u>(6,921)</u>	<u>15,864</u>	<u>(16,534)</u>	<u>(1,718)</u>	<u>(919)</u>	<u>(10,228)</u>
Total funds	<u><u>(5,858)</u></u>	<u><u>15,930</u></u>	<u><u>(16,535)</u></u>	<u><u>(1,273)</u></u>	<u><u>(1,158)</u></u>	<u><u>(8,894)</u></u>

Total funds analysis by Academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
St Antony's Catholic Primary School	488	371
St Edward's Catholic Primary School	406	441
St Francis' Catholic Primary School	227	184
St Helen's Catholic Primary School	645	570
St Joachim's Catholic Primary School	187	299
Central services	40	40
St Winefride's Catholic Primary School	217	-
	<u>2,210</u>	<u>1,905</u>
Total before fixed asset funds and pension reserve	2,210	1,905
Restricted fixed asset fund	447	717
Pension reserve	(3,354)	(11,516)
Total	<u><u>(697)</u></u>	<u><u>(8,894)</u></u>

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

Total cost analysis by Academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
St Antony's Catholic Primary School	2,008	259	44	601	2,912	2,997
St Edward's Catholic Primary School	2,165	268	54	647	3,134	3,078
St Francis' Catholic Primary School	2,002	349	56	763	3,170	2,938
St Helen's Catholic Primary School	2,567	310	61	868	3,806	3,777
St Joachim's Catholic Primary School	1,618	209	654	-	2,481	2,122
St Winefride's Catholic Primary School	548	98	17	262	925	-
Pension & Interest	609	366	-	182	1,157	957
Central services	-	364	47	233	644	461
Academy	11,517	2,223	933	3,556	18,229	16,330

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.

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NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	447	447
Debtors due after more than one year	-	1,638	-	1,638
Current assets	1,515	3,010	-	4,525
Creditors due within one year	-	(2,211)	-	(2,211)
Creditors due in more than one year	-	(1,742)	-	(1,742)
Provisions for liabilities and charges	-	(3,354)	-	(3,354)
Total	1,515	(2,659)	447	(697)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	567	567
Debtors due after more than one year	1,334	24	-	1,358
Current assets	-	4,070	331	4,401
Creditors due within one year	-	(2,165)	(56)	(2,221)
Creditors due in more than one year	-	(1,358)	(125)	(1,483)
Provisions for liabilities and charges	-	(11,516)	-	(11,516)
Total	1,334	(10,945)	717	(8,894)

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NOTES TO THE FINANCIAL STATEMENTS
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22. Reconciliation of net expenditure to net cash flow from operating activities

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of Financial Activities)	(1,121)	(1,877)
Adjustments for:		
Amortisation and depreciation	222	205
Capital grants from DfE and other capital income	(160)	(371)
Interest receivable	-	(1)
Defined benefit pension scheme obligation inherited	-	1,738
Defined benefit pension scheme cost less contributions payable	1,157	811
Defined benefit pension scheme finance costs	-	142
(Increase)/decrease in stocks	8	(1)
(Increase)/decrease in debtors	(637)	(726)
Increase/(decrease) in creditors	228	530
Fixed assets inherited on conversion	(23)	(20)
Cash transferred to Academy Trust on conversion	-	(445)
Defined benefit pension scheme administration expenses	-	4
Net cash used in operating activities	(326)	(11)

23. Cash flows from financing activities

	2022 £000	2021 £000
Cash inflows from new borrowing	-	20
Repayments of borrowing	21	(21)
Cash transferred to Academy Trust on conversion	-	445
Net cash provided by financing activities	21	444

24. Cash flows from investing activities

	2022 £000	2021 £000
Interest received from investment	-	1
Purchase of tangible fixed assets	(79)	(215)
Capital grants from DfE Group	160	371
Net cash provided by investing activities	81	157

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25. Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand and at bank	2,254	2,478
Notice deposits (less than 3 months)	475	475
Total cash and cash equivalents	2,729	2,953

26. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	2,953	(224)	2,729
Debt due within 1 year (GAG advance & Salix Loan)	(253)	(20)	(273)
Debt due after 1 year (GAG advance & Salix Loan)	(125)	21	(104)
	2,575	(223)	2,352

27. Contingent liabilities

The Trust has no contingent liabilities, which were not provided for in the financial statements as at 31 August 2022 (2021:£nil)

28. Capital commitments

	2022 £000	2021 £000
Contracted for but not provided in these financial statements	-	348
	-	348

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

29. Pension commitments

The Academy'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.

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29. Pension commitments (continued)

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 £114,000 were payable to the schemes at 31 August 2022 (2021 - £100,000) and are included within creditors.

Teachers' Pension Scheme

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

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

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; and
- 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 2024.

The employer's pension costs paid to TPS in the year amounted to £1,109,000 (2021 - £453,065).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £1,290,000 (2021 - £1,185,431), of which employer's contributions totalled £1,058,000 (2021 - £974,503) and employees' contributions totalled £232,000 (2021 - £210,928). The agreed contribution rates for future years are 27.6 per cent for employers and 5.5%-12.5% per cent for employees.

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

Principal actuarial assumptions

	2022 %	2021 %
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate	4.25	1.65
Inflation assumption (CPI)	2.95	2.90

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

	2022 Years	2021 Years
Retiring today		
Males	21.4	21.4
Females	24.1	24.0
Retiring in 20 years		
Males	23	22.9
Females	25.7	25.6

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	11,539	20,195
Discount rate -0.1%	12,055	21,164
Mortality assumption - 1 year increase	12,119	21,596
Mortality assumption - 1 year decrease	11,478	19,791
Long-term salary increase +0.1%	12,034	20,718
Long-term salary increase -0.1%	11,559	20,632
Pension increases and deferred revaluation +0.1%	-	21,116
Pension increases and deferred revaluation -0.1%	-	20,242

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

Share of scheme assets

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

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	4,980	4,284
Gilts	591	577
Property	1,350	676
Cash and other liquid assets	422	395
Alternative assets	1,097	1,089
Total market value of assets	<u>8,440</u>	<u>7,021</u>

The return on the fund (on a bid value to bid value basis) for the period 31 August 2022 is estimated to be 4.51% (2021 - 12.22%). The actual return on scheme assets was £341,000 (2021 - £707,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £000	2021 £000
Current service cost	1,891	3,553
Interest income	125	(93)
Interest cost	(307)	235
Administrative expenses	7	4
Net interest on defined liability	182	142
Total amount recognised in the Statement of Financial Activities	<u>1,898</u>	<u>3,841</u>

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29. Pension commitments (continued)

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

	2022 £000	2021 £000
At 1 September	19,698	12,027
Benefits paid	(41)	-
Interest cost	307	235
Actuarial (gains)/losses	(9,103)	1,161
Current service cost	1,891	1,815
Liabilities assumed/(extinguished) on settlements	-	2,673
Change in financial assumptions	-	2,034
Experience loss/(gain) on defined benefit obligation	-	(259)
Estimated benefits paid net of transfers in	-	(206)
Contribution by scheme participant and other employers	203	218
	<u>12,955</u>	<u>19,698</u>
At 31 August	<u>12,955</u>	<u>19,698</u>

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

	2022 £000	2021 £000
At 1 September	7,021	4,367
Interest on assets	125	93
Actuarial gains	216	-
Employer contributions	923	-
Return on assets less interest	-	614
Contributions by employer included unfunded	-	1,004
Settlement prices received/(paid)	-	935
Administration expenses	(7)	(4)
Contributions by scheme participants and other employees	203	218
Estimated benefits paid plus unfunded net of transfers in	(41)	(206)
	<u>8,440</u>	<u>7,021</u>
At 31 August	<u>8,440</u>	<u>7,021</u>

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30. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
Not later than 1 year	15	18
Later than 1 year and not later than 5 years	42	14
	<u>57</u>	<u>32</u>

31. Members' liability

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

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32. Related party transactions

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

The following related party transactions took place in 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 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 £819,000 per annum (2021 - £679,000). On this basis a donation from the Diocese of £819,000 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 (2021 - £2,037,000) 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 £22,068 (2021 - £24,024) in relation to educational support services from The Brentwood Roman Catholic Diocesan Trust (BRCDT) and £NIL (2021 - £35) 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 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 'at cost' rules set out in the Academies Financial Handbook.

There were no other related party transactions during the year ended 31 August 2022 (2021: none).

33. Conversion to Academy

On 1 April 2022 St Winefried'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 Donation - 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 2021/22:

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	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets			
Other tangible fixed assets	-	23	23
Cash			
Representing budget surplus on LA funds	226	-	226
LGPS pension (deficit)	-	1,000	1,000
Total Net Assets	<u>226</u>	<u>1,023</u>	<u>1,249</u>

For comparison purposes, on 1 September 2020 St Anthony'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 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 2020/21:

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £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	<u>445</u>	<u>(1,738)</u>	<u>20</u>	<u>(1,273)</u>