

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr S Myers The Brentwood Diocesan Trust The Right Reverend A Williams Chair of Trustees (Ex officio)
Trustees/Strategic Board	Mrs L Leggett Mrs C Bonich Mr S Fenning, Chair of Trustees Mrs M Breeze Mrs B Harris Mrs V Reynolds
Company registered number	08068528
Company name	The Rosary Trust - A Catholic Multi Academy
Registered and principal office	St Thomas More's Catholic Primary School Priory Street Colchester Essex CO1 2QB
Company Secretary	Mrs F Fenning
Accounting Officer	Mrs B Harris
Senior Leadership Team	Mrs B Harris, Executive Head Mrs M Breeze, St Clare's Head of School Mrs F Fenning, Trust Finance Officer Mrs L Roche, Our Lady Immaculate Head of School Mrs S Derbyshire, St Pius X Head of School Mrs M Kelly, St Teresa's Head of School
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of The Rosary Trust – A Catholic Multi Academy Trust (“the Charitable Company” or “the Trust”) for the year to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates five Primary Academies (“the Academies” or “the Schools”) serving catchment areas in Chelmsford, Colchester and Clacton. The Academies have a combined pupil capacity of 1,171 and had a roll of 1,159 in the census on January 2020.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents. The Trustees are also the Directors of the Charitable Company for the purposes of company law. Within this Report the terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- St Thomas More's Catholic Primary School, Priory Street, Colchester, CO1 2QB
- St Teresa's Catholic Primary School, Clairmont Road, Colchester, CO3 9BE
- St Clare's Catholic Primary School, Cloes Lane, Clacton-on-Sea, CO16 8AG
- Our Lady Immaculate Catholic Primary School, New London Road, Chelmsford, Essex, CM2 0RG
- St Pius X Catholic Primary School, Tennyson Road, Chelmsford, Essex, CM1 4HY

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Strategic Board. Each Academy has a Local Governing Body (LGB) who supports the Trust's Finance and Resources Committee in the monitoring of their Academy within agreed budgets. Within this Report, the term Trustee refers to a member of the Board of Trustees and the term Governor to a member of an 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

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

Trustees' and Officers' Indemnities

The Trust has secured insurance cover through Zurich. The policy protects Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £2,000,000. It is not possible to quantify the Trustees, Governors and Officers indemnity element from the overall cost of the Trust policy.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Trustees are currently the same as those carried over from the Primary Excellence MAT. Directors were chosen as the Headteacher's of the schools in the MAT, a School Effectiveness Partner from Essex County Council, a Governor and the Chair of Governors' from each school. We also recruited 2 Shadow Members from the community ready for September 2020, a retired secondary Headteacher and a Judge. We try to get a range of skills on the Trust Board so that the many duties of the Trust can be covered.

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

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides internal training led by Trust and School staff and also links with a number of local training providers.

All new Trustees and Governors have an induction programme, according to their need, which includes introductory sessions, mentoring, formal training courses, and a tour of their School. This process will involve a meeting with the Chair of Trustees or Chair of the LGB as necessary, selected students and staff. All Trustees and Governors are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees and Governors with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

The Board of Trustees meets on at least 4 occasions per year and is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure, senior staff appointments and executive pay.

The Governors within their LGB's which meet on at least 3 occasions each year are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits. Governors are Members of one or two sub-committees, the terms of reference for which are reviewed annually, who report to the Board of Trustees.

The Academy Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending in accordance with the agreed spending limits within financial regulations and agreed budgets and for the appointment of staff, below senior leadership level i.e. Deputy and above, following vetting and safeguarding recruitment processes.

The Head Teacher of St Thomas More's is the Chief Accounting Officer (CAO) and has overall responsibility for the day to day financial management of the Trust. The CAO manages the Trust on a daily basis supported by a Leadership Group, comprising of the Headteachers of the MAT schools, who look across the Trust and align local SLT and LGB activity to the strategic aims of the Trust as a whole. The Leadership Team meets frequently to discuss emerging matters, plan CPD, opportunities to share good practice and resources and to help to develop strategies for future development to be put to the Board of Trustees as required for approval.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate LGB or sub-committee and ratified by the Board of Trustees.

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Trade Union Facility Time

The Trust has no employees that are Trade Union Representatives.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees and LGB's being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee or a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee or Governor may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust did not cooperate with any related party, except for the Diocese of Brentwood, during the academic year in pursuit of its charitable activities and does not have a formal sponsor.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- Area Deanery Heads;
- Brentwood Catholic Children's Society
- Millennium Trust
- Diocese Deanery Headteachers;
- Essex Teacher Training;
- SET Teaching School Alliances;
- Local Teaching School Alliance; and
- Colchester Institute and Sixth Form College.
- Matrix maths Hub

Objectives and Activities

Objects and Aims

The principal object and aim of the Trust is the operation of a family of Academies to provide free education and care for pupils of different abilities between the ages of 4 and 11. Specifically to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- developing resilient, resourceful students;
- adapting and applying skills for flexible life-long learning;
- improving the effectiveness of each School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- conducting the Trust's business in accordance with the highest standards of integrity;
- sharing expertise across the Academies for the benefit of all children; and
- coaching and mentoring staff in both Academies.

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Our success in fulfilling our aims can be measured by:

- the continuation of education despite Covid-19 closure for several year groups and the children of Keyworkers
- the ongoing wellbeing of pupils and staff during a very challenging year
- the return to a fully operational School
- Balanced budget despite the additional spending to get through the summer term and prepare for Autumn 2020
- Subject leaders in art and RE joined together from across the Schools to form a support group to share good practice and this was well received.

Public Benefit

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their School.

Specific achievements were as follows:

- Public examinations for the year 2020 due to the pandemic

Key Performance Indicators (KPI)

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

Financial

As funding is based on pupil numbers this is a KPI. Pupil numbers for 2019 were 1,159 against a budget of 1,161.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2019/20 this was 75%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the Board of Trustees.

The Finance Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the Board

Non-Financial

- There were no Ofsted inspections in the last year in any of our Schools and all public examinations were cancelled.
- The strength of the partnership was tested during the School closures and the support between the HTs on the leadership group was very much appreciated by all. The group met weekly to plan their way through the closure to offer the very best provision to the children in their care whilst at the same time keeping the community safe.

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Going Concern

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

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

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in note 1.7.

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2020 the Trust received £6,049,651 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £6,892,084 including capital projects. The Trust brought forward from 18/19, £3,532, of restricted funds (excluding pension) and £737,174 of unrestricted funds. The carry forward for 19/20 is £30,591 of restricted funds (excluding pension) and £1,092,171 of unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £5,131,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the School Business Managers. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,092,171. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £1,122,762.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,413,662. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

Investment Policy

An Investment Policy was approved by the Board of Trustees in November 2019.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

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TRUSTEES' REPORT (CONTINUED)
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Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust and the individual Schools are exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Audit and Risk Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Trust has considerable reliance on continued Government funding through the ESFA and whilst there has been a small injection of additional funding this will not be enough to counteract the rise of the minimum wage, teachers pensions contribution rise and any other additional costs that the Government may choose to introduce;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Schools is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Schools is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - the Trustees have appointed SBM Services to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- COVID-19 – the disruption to the Schools during the 2019/20 academic year brought a reduction in external income and a number of additional costs, not all of which were recoverable from Government. Autumn term 2020 opened with new restrictions around class sizes and social distancing among other things. The risk of a School having to close due to localised infections has been mitigated by extensive risk assessment planning and amended working practices; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

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Fundraising

The Trust only held small fundraising events during the year including a joint Schools' concert in November. Individual projects in the Schools include cake sales, non-uniform days and sponsored events. These have been more coordinated this year as the Schools have been working on a joint fundraising project to mark the 20th anniversary of the Millennium Trust which is a charity they all support. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events. All fundraising undertaken during the year was monitored by the Trustees

Plans for Future Periods

The schools are looking forward to making a positive return to school in the 20/21 year following the forced school closure. All schools will spend the first few weeks analysing where the children are academically after a settling in period which will enable the children to get used to the new normal. Once the children have settled and they have been assessed a catch up programme will be started where necessary which may include:

- Booster classes
- One to one tuition
- Additional classes after school

The Leadership Group will continue to meet at least once every half term and the Chairs of Governors will meet with them at least twice over the year. The meetings will focus on:

- Reporting to the strategic board
- Improving standards
- Staffing
- Finance
- Sharing CPD
- Sharing good practice
- Support for colleagues/wellbeing
- Planning for the future.

Meetings for key members in each School started with the Bursars meeting regularly and this will be developed so that the Schools new to the Trust get the same support. Subject Leaders started to meet across the schools e.g. art, RE but Covid halted the proceedings. It is planned that this will continue so that all subject leaders are part of a development group.

The new Strategic Board will come into play and it is planned to increase the membership by at least 3 members by the end of the year including the 2 shadow members from this year.

Funds Held as Custodian Trustee on Behalf of Others

The Trust does not hold funds for others.

Provision of Information to Auditors

Insofar as the Trustees are aware there is no relevant audit information of which the Charitable Company's Auditors are unaware, and the Trustees have taken all the 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

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**TRUSTEES' REPORT (CONTINUED)
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Auditors

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:

Mr S Fenning
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that the Rosary 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.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, as Chief 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 The Rosary 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 Trustees have formally met 4 times during the year. The Board met fewer than six times during the year, however The Board is satisfied that through the use of sub-committees it maintains effective oversight. Each School in the Trust has a Local Governing Board, which has met three times in the year. The Board plans to meet 6 times a year next year due to the expansion of the MAT.

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

Trustee	Meetings attended	Out of a possible
Mrs L Leggett	3	4
Mrs C Bonich	3	4
Mr S Fenning	4	4
Mrs M Breeze	4	4
Mrs B Harris	4	4
Mrs V Reynolds	4	4

REVIEW OF THE YEAR

The Trust has focused on the performance and monitoring of its five Schools working closely with the three new headteachers in terms of challenge and support. Regular meetings were also held with two further Schools joining on 1 September 2020.

COVID 19 presented a particular challenge, the disruption to the Schools during the 2019/20 academic year brought a reduction in external income and a number of additional costs, not all of which were recoverable from Government. Autumn term 2020 opened with new restrictions around class sizes and social distancing among other things. The risk of a School having to close due to localised infections has been mitigated by extensive risk assessment planning and amended working practices.

Headteachers and School Business Managers meet regularly via zoom to support each other. These meetings became more frequent and more beneficial during lockdown and school closure.

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GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (continued)

GOVERNANCE REVIEWS

We carry out an annual skills audit for Trustees and Governors, which helps us to analyse both strengths and areas for development. This helps us to identify the skills required when appointing new Trustees and Governors. Governors and Trustees attended a Governor peer review session early in year where they were able to compare and challenge practice with 9 other schools. Following last year's review two new Trustees shadowed the Board and formally joined from 1 September 2020 their expertise is in law and education. A further trustee with Diocesan experience is also joining the new Board. An annual review takes place every autumn term. We have run for the year with the existing Board from the last MAT with the new shadow board attending all meetings until they form the new Board in September 2020. This has been a gradual handing over process.

COMMITTEES

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Simon Fenning	3	3
Bridget Harris	3	3
Gregory Herbert	3	3
Elizabeth Hayes	3	3

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to meet at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports, from the Internal Auditor and drafting the annual budget including setting staffing levels. The committee has appointed SBM Services to carry out an internal audit of the Trust's operating structure. This Committee also review issues relating to Human Resources.

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to meet independently once a year to review the Internal Audit Report and again to review the Risk Management Policy. They receive monthly finance reports and reports from the Business Manager.

REVIEW OF VALUE FOR MONEY

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

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

- Looking to use our purchasing power as a larger MAT to obtain discounts on services and take full advantage of any offers by organisations such as ECC.
- Moving away from Essex broadband, the Schools worked together to get the best deal for the Trust.
- Changing IT support from Capita to Schools ICT which represented a 50% saving.
- Sharing workload where possible with the other Headteachers in the MAT.

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GOVERNANCE STATEMENT (CONTINUED)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 The Rosary Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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;
- delegation of authority and segregation of duties ; and
- identification and management of risks

The Board of Trustees has decided to employ SBM Services as internal auditor.

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

- Administration, Finance and management Systems
- Governance
- Purchasing and creditors
- Budget Management

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

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising.

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GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

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

- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the Internal Auditor;
- the work of the external Auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 25 November 2020 and signed on their behalf by:

Mr S Fenning
Chair of Trustees

Mrs B Harris
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Mrs B Harris
Accounting Officer
Date: 14 December 2020

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

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

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 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 25 November 2020 and signed on its behalf by:

Mr S Fenning
Chair of Trustees

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY**

OPINION

We have audited the financial statements of The Rosary Trust - A Catholic Multi Academy (the 'Trust') for the year ended 31 August 2020 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 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY (CONTINUED)**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Trust 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.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This Report is made solely to the Trust's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Trust'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 Trust 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

14 December 2020

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 5 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Rosary Trust - A Catholic Multi Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Rosary Trust - A Catholic Multi Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Rosary Trust - A Catholic Multi Academy 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 The Rosary Trust - A Catholic Multi Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Rosary Trust - A Catholic Multi Academy's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
ROSARY TRUST - A CATHOLIC MULTI ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

APPROACH

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust'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
- 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 Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

CONCLUSION

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

Reporting Accountant
Price Bailey LLP

Date: 14 December 2020

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	2	385,267	(1,551,225)	1,785,706	619,748	760,487
Charitable activities	7	79,489	5,143,009	-	5,222,498	2,520,204
Teaching schools	30	-	43,500	-	43,500	47,500
Other trading activities	4	163,545	(757)	-	162,788	113,538
Investments	5	1,117	-	-	1,117	1,322
Total income		629,418	3,634,527	1,785,706	6,049,651	3,443,051
Expenditure on:						
Charitable activities	7	274,421	5,903,722	670,441	6,848,584	3,218,714
Teaching schools	30	-	43,500	-	43,500	47,500
Total expenditure		274,421	5,947,222	670,441	6,892,084	3,266,214
Net income/ (expenditure)		354,997	(2,312,695)	1,115,265	(842,433)	176,837
Transfers between funds	18	-	(19,246)	19,246	-	-
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(747,000)	-	(747,000)	(247,000)
Net movement in funds		354,997	(3,078,941)	1,134,511	(1,589,433)	(70,163)
Reconciliation of funds:						
Total funds brought forward		737,174	(2,021,468)	491,474	(792,820)	(722,657)
Net movement in funds		354,997	(3,078,941)	1,134,511	(1,589,433)	(70,163)
Total funds carried forward		1,092,171	(5,100,409)	1,625,985	(2,382,253)	(792,820)

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

The notes on pages 25 to 57 form part of these financial statements.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08068528

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	410,998	146,019
		<u>410,998</u>	<u>146,019</u>
Current assets			
Stocks	14	1,758	732
Debtors	15	2,573,918	869,452
Cash at bank and in hand	22	1,413,662	944,409
		<u>3,989,338</u>	<u>1,814,593</u>
Creditors: amounts falling due within one year	16	(946,089)	(393,432)
		<u>3,043,249</u>	<u>1,421,161</u>
Net current assets		<u>3,043,249</u>	<u>1,421,161</u>
Total assets less current liabilities		<u>3,454,247</u>	<u>1,567,180</u>
Creditors: amounts falling due after more than one year	17	(705,500)	(335,000)
		<u>2,748,747</u>	<u>1,232,180</u>
Net assets excluding pension liability		<u>2,748,747</u>	<u>1,232,180</u>
Defined benefit pension scheme liability	24	(5,131,000)	(2,025,000)
		<u>(2,382,253)</u>	<u>(792,820)</u>
Total net assets		<u><u>(2,382,253)</u></u>	<u><u>(792,820)</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	1,625,985	491,474
Restricted income funds	18	30,591	3,532
		<u>1,656,576</u>	<u>495,006</u>
Restricted funds excluding pension liability	18	1,656,576	495,006
Pension reserve	18	(5,131,000)	(2,025,000)
		<u>(3,474,424)</u>	<u>(1,529,994)</u>
Total restricted funds	18	<u>(3,474,424)</u>	<u>(1,529,994)</u>
Unrestricted income funds	18	1,092,171	737,174
		<u>(2,382,253)</u>	<u>(792,820)</u>
Total funds		<u><u>(2,382,253)</u></u>	<u><u>(792,820)</u></u>

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08068528

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 21 to 57 were approved by the Trustees, and authorised for issue on 25 November 2020 and are signed on their behalf, by:

Mr S Fenning
Chair of Trustees

The notes on pages 25 to 57 form part of these financial statements.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(909,017)	168,924
Cash flows from investing activities	21	1,378,270	(25,743)
Change in cash and cash equivalents in the year		469,253	143,181
Cash and cash equivalents at the beginning of the year		944,409	801,228
Cash and cash equivalents at the end of the year	22, 23	<u>1,413,662</u>	<u>944,409</u>

The notes on pages 25 to 57 form part of these financial statements

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Company status

The Trust is a company limited by guarantee. Members are named 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 Trust's registered office is St Thomas More's Catholic Primary School, Priory Street, Colchester, CO1 2QB.

1.3 Income

All income is recognised when the Trust has entitlement to the income, it is probable that income will be received and the amount of income receivable can be measured reliably.

• **Grants**

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

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

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

• **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 Trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Transfer of existing academies into the Trust**

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

1.4 Taxation

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

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

1.5 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 include grants from the Department for Education Group.

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

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

All resources expended are inclusive of irrecoverable VAT.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

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

Following the year end the Academy has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Academy 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 Academy 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 Academy were not able to continue as a going concern.

In reaching their conclusions on the continued adoption of the going concern basis the Trustees have taken account of the fact that the financial Statements show net liabilities of £2,382,253. These liabilities are caused by the LGPS pension deficit of £5,131,000. As noted in the Trustees' Report this deficit does not mean that an immediate liability for the amount crystallises but does result in a cash flow effect in the form of increased employer contributions over a number of years, all of which are included within the Trust's normal operating budget.

1.8 Tangible fixed assets

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

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

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and equipment	- 10-15 years straight line
Computer equipment	- 5-10 years straight line

The Trust occupies land and buildings provided to it by the Diocesan Trustees under a license (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the Trust occupies 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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.9 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Debtors

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

1.12 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.

1.13 Liabilities

Liabilities and provisions 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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.

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument..

1.15 Pensions

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to 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.

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.16 Critical accounting estimates and areas of judgement

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assets and liabilities transferred on conversion from St Pius X Catholic Primary School, St Teresa's Catholic Primary School and Our Lady Immaculate Catholic Primary School to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in notes 28 and 29.

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2. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Transfer from Local Authority on Conversion (note 28)	123,715	(348,000)	79,390	(144,895)	-
Transfers of existing academies (note 29)	254,551	(1,660,550)	233,511	(1,172,488)	-
	<u>378,266</u>	<u>(2,008,550)</u>	<u>312,901</u>	<u>(1,317,383)</u>	<u>-</u>
Donations	7,001	105,325	-	112,326	49,545
Donation in kind	-	352,000	-	352,000	167,000
Capital grants	-	-	1,472,805	1,472,805	543,942
Subtotal	<u>7,001</u>	<u>457,325</u>	<u>1,472,805</u>	<u>1,937,131</u>	<u>760,487</u>
	<u>385,267</u>	<u>(1,551,225)</u>	<u>1,785,706</u>	<u>619,748</u>	<u>760,487</u>
Total 2019	<u>1,003</u>	<u>215,542</u>	<u>543,942</u>	<u>760,487</u>	

In 2019, income from donations was £49,545 of which £48,542 was restricted and £1,003 was unrestricted.

In 2019, income from notional rent was £167,000 of which all was restricted.

In 2020, capital grants of £147,805 (2019 - £543,942) were restricted.

In 2020, income on conversion was (£1,317,383). £378,266 was unrestricted, (£2,008,550) was restricted and were £312,901 was included in restricted fixed assets.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Funding for the Trust's provision of education

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,170,229	4,170,229	2,080,892
Other DfE / ESFA grants	-	771,153	771,153	286,814
	-	4,941,382	4,941,382	2,367,706
Other Government grants				
Local Authority grants	-	201,627	201,627	107,748
	-	201,627	201,627	107,748
Other funding				
Catering income	79,489	-	79,489	44,750
	79,489	-	79,489	44,750
	79,489	5,143,009	5,222,498	2,520,204
Total 2019	44,750	2,475,454	2,520,204	

In 2019, income from DfE/ESFA grants was £2,367,706 of which all was restricted.

In 2019, income from other Government grants was £107,748 of which all was restricted.

In 2019, income from catering was £44,750 of which all was unrestricted.

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4. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Other activities	96,917	(757)	96,160	113,538
Fundraising	66,628	-	66,628	-
	163,545	(757)	162,788	113,538
	109,681	3,857	113,538	
Total 2019				

In 2019, income from other activities was £113,538 of which £3,857 was restricted and £109,681 was unrestricted.

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	1,117	1,117	1,322
	1,117	1,117	1,322
	1,322	1,322	
Total 2019			

In 2019 all investment income was unrestricted.

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6. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision of education:					
Direct costs	3,490,343	-	397,919	3,888,262	2,085,670
Support costs	1,379,210	1,098,179	482,933	2,960,322	1,133,044
Teaching school	39,048	-	4,452	43,500	47,500
	<u>4,908,601</u>	<u>1,098,179</u>	<u>885,304</u>	<u>6,892,084</u>	<u>3,266,214</u>
Total 2019	<u>2,269,621</u>	<u>191,055</u>	<u>805,538</u>	<u>3,266,214</u>	

In 2019, of total expenditure, £153,063 was to unrestricted funds, £2,900,122 was to restricted funds and £3,443,051 was to restricted fixed asset fund.

In 2019, direct expenditure consisted of £1,753,703 staff costs and £331,967 other costs.

In 2019, support expenditure consisted of £479,051 staff costs, £191,055 premises costs and £462,938 other costs.

In 2019, teaching school expenditure consisted of £36,867 staff costs and £10,633 other costs.

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7. Charitable activities

	2020 £	2019 £
Direct costs	3,888,262	2,085,670
Support costs	2,960,322	1,133,044
Teaching school	43,500	47,500
	6,892,084	3,266,214
	6,892,084	3,266,214

	2020 £	2019 £
Analysis of support costs		
Support staff costs	1,379,210	479,051
Depreciation	65,174	30,835
Technology costs	25,125	6,709
Premises costs (excluding depreciation)	1,033,005	174,294
Other support costs	412,414	418,075
Governance costs	45,266	24,080
Legal costs	128	-
Total	2,960,322	1,133,044
	2,960,322	1,133,044

Included within premises costs is capital grant expenditure of £605,267 which has been applied to the improvement for Diocesan properties occupied by the Academy Trust.

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	10,039	4,625
Depreciation of tangible fixed assets	65,174	30,835
Fees paid to Auditors for:		
- Audit	20,000	7,695
- Other services	10,550	5,885
	30,580	13,580
	30,580	13,580

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NOTES TO THE FINANCIAL STATEMENTS
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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,560,918	1,746,261
Social security costs	268,984	132,099
Pension costs	1,052,728	391,261
	<u>4,882,630</u>	<u>2,269,621</u>
Agency staff costs	25,971	798
	<u><u>4,908,601</u></u>	<u><u>2,270,419</u></u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	64	31
Administration and Support	138	68
Management	6	4
	<u>208</u>	<u>103</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	<u><u>4</u></u>	<u><u>2</u></u>

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and

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9. Staff (continued)

d. Key management personnel (continued)

employer national insurance contributions) received by key management personnel for their services to the Trust were £490,445 (2019 - £199,250).

Included in the above are employer pension contributions of £43,247 (2019 - £25,503) and employer national insurance contributions of £85,274 (2019 - £19,007).

10. Central services

No central services were provided by the Trust to its Academies during the year and no central charges arose.

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Accounting Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Accounting Officer and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
Mrs B Harris	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
Mrs M Breeze	Remuneration	65,000 - 70,000	65,000 - 70,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000

During the year ended 31 August 2020, expenses totalling £370 were reimbursed or paid directly to 2 Trustees (2019 - £1,016 to 4 Trustees) for travel and other general costs.

12. Trustees', Governors' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees, Governors' and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2020 was included in the total insurance cost.

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13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	-	194,081	196,972	391,053
Additions	50,000	21,744	24,908	96,652
Transferred on conversion/from existing academies	-	422,826	109,417	532,243
At 31 August 2020	<u>50,000</u>	<u>638,651</u>	<u>331,297</u>	<u>1,019,948</u>
Depreciation				
At 1 September 2019	-	84,868	160,166	245,034
Charge for the year	-	35,284	29,890	65,174
Transfers intra group	-	239,760	58,982	298,742
At 31 August 2020	<u>-</u>	<u>359,912</u>	<u>249,038</u>	<u>608,950</u>
Net book value				
At 31 August 2020	<u>50,000</u>	<u>278,739</u>	<u>82,259</u>	<u>410,998</u>
At 31 August 2019	<u>-</u>	<u>109,213</u>	<u>36,806</u>	<u>146,019</u>

14. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>1,758</u>	<u>732</u>

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15. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors (See note 27)	704,000	334,000
	704,000	334,000
Due within one year		
Other debtors (see note 27)	354,382	167,040
Prepayments and accrued income	1,474,091	312,668
VAT recoverable	41,445	55,744
	2,573,918	869,452

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	35,346	93,986
Other taxation and social security	162,453	66,392
Other creditors (see note 27)	364,927	174,983
Accruals and deferred income	383,363	58,071
	946,089	393,432
	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	48,525	50,477
Resources deferred during the year	151,299	48,525
Amounts released from previous periods	(48,525)	(50,477)
	151,299	48,525

Resources deferred at the period end relate to contributions towards future educational visits and free school meal income received in advance for academic year 2020/21.

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

	2020 £	2019 £
Other creditors (see note 27)	705,500	335,000
	705,500	335,000

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted funds	737,174	629,418	(274,421)	-	-	1,092,171
Restricted general funds						
GAG	-	4,170,229	(4,150,983)	(19,246)	-	-
Other DfE	1,132	515,308	(493,491)	-	-	22,949
OGG	2,400	201,627	(204,027)	-	-	-
Pupil Premium	-	255,845	(248,203)	-	-	7,642
National College Grant	-	43,500	(43,500)	-	-	-
Restricted donations	-	107,018	(107,018)	-	-	-
Donation kind	-	352,000	(352,000)	-	-	-
Pension reserve	(2,025,000)	(2,011,000)	(348,000)	-	(747,000)	(5,131,000)
	<u>(2,021,468)</u>	<u>3,634,527</u>	<u>(5,947,222)</u>	<u>(19,246)</u>	<u>(747,000)</u>	<u>(5,100,409)</u>
Restricted fixed asset funds						
Fixed Assets	146,019	283,501	(65,174)	46,652	-	410,998
DFC	20,453	60,284	(8,991)	(37,406)	-	34,340
CIF Grant	325,002	1,441,921	(596,276)	10,000	-	1,180,647
	<u>491,474</u>	<u>1,785,706</u>	<u>(670,441)</u>	<u>19,246</u>	<u>-</u>	<u>1,625,985</u>
Total Restricted funds	<u>(1,529,994)</u>	<u>5,420,233</u>	<u>(6,617,663)</u>	<u>-</u>	<u>(747,000)</u>	<u>(3,474,424)</u>
Total funds	<u><u>(792,820)</u></u>	<u><u>6,049,651</u></u>	<u><u>(6,892,084)</u></u>	<u><u>-</u></u>	<u><u>(747,000)</u></u>	<u><u>(2,382,253)</u></u>

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

Unrestricted funds

This represents income received that does not have restrictions on its use.

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18. Statement of funds (continued)

Other Government grants (OGG)

This represents various small grants from local and national Government bodies for the provision of specific services to pupils of the Academies.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

Restricted trip donations

This represents income received to be used for educational trips.

Other DfE grants

This fund largely represents income granted to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

National College grant

This fund is received from the NCTL and relates to income to be used to train Teachers.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to it on conversion from state controlled schools.

Restricted fixed asset fund

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

Condition Improvement Fund grant

This represents funding received from ESFA for the maintenance and improvement of the Trust's buildings and facilities.

Devolved Formula Capital (DFC)

This represents funding received from the ESFA specifically for the maintenance and improvement of the Trust's buildings and facilities.

General Annual Grant (GAG)

This represents funding received from the ESFA to cover the costs of recurrent expenditure.

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18. Statement of funds (continued)

Donation in kind

This fund represents the rent free occupation of the land and buildings from the Diocese in Brentwood.

Total funds analysis by Academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
St Thomas More's Catholic Academy	538,596	472,040
St Clare's Catholic Academy	208,134	268,666
Our Lady Immaculate Catholic Primary School	131,637	-
St Teresa's Catholic Primary School	126,061	-
St Pius X Catholic Primary School	118,334	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,122,762	740,706
Restricted fixed asset fund	1,625,985	491,474
Pension reserve	(5,131,000)	(2,025,000)
	<hr/>	<hr/>
Total	(2,382,253)	(792,820)
	<hr/> <hr/>	<hr/> <hr/>

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18. Statement of funds (continued)

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
St Thomas More's Catholic Academy	819,346	226,494	46,613	424,218	1,516,671	1,473,377
St Clare's Catholic Academy	1,161,599	301,497	41,413	410,115	1,914,624	1,762,004
Our Lady Immaculate Catholic Primary School	672,425	239,038	46,016	533,274	1,490,753	-
St Teresas Catholic Primary School	710,592	218,903	44,839	195,523	1,169,857	-
St Pius X Catholic Primary School	382,260	176,447	22,432	153,866	735,005	-
	<u>3,746,222</u>	<u>1,162,379</u>	<u>201,313</u>	<u>1,716,996</u>	<u>6,826,910</u>	<u>3,235,381</u>

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

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	733,481	156,756	(153,063)	-	-	737,174
	<u>733,481</u>	<u>156,756</u>	<u>(153,063)</u>	<u>-</u>	<u>-</u>	<u>737,174</u>
Restricted general funds						
GAG	-	2,080,892	(2,070,120)	(10,772)	-	-
Other DfE	-	146,452	(145,320)	-	-	1,132
OGG	4,800	107,748	(110,148)	-	-	2,400
Pupil Premium	2,273	144,219	(146,492)	-	-	-
National College Grant	-	47,500	(47,500)	-	-	-
Restricted trip donations	-	48,542	(48,542)	-	-	-
Donation kind	-	167,000	(167,000)	-	-	-
Pension reserve	(1,613,000)	-	(165,000)	-	(247,000)	(2,025,000)
	<u>(1,605,927)</u>	<u>2,742,353</u>	<u>(2,900,122)</u>	<u>(10,772)</u>	<u>(247,000)</u>	<u>(2,021,468)</u>
Restricted fixed asset funds						
Fixed Assets	149,789	-	(30,835)	27,065	-	146,019
DFC	-	36,746	-	(16,293)	-	20,453
CIF Grant	-	507,196	(182,194)	-	-	325,002
	<u>149,789</u>	<u>543,942</u>	<u>(213,029)</u>	<u>10,772</u>	<u>-</u>	<u>491,474</u>
Total Restricted funds	<u>(1,456,138)</u>	<u>3,286,295</u>	<u>(3,113,151)</u>	<u>-</u>	<u>(247,000)</u>	<u>(1,529,994)</u>
Total funds	<u><u>(722,657)</u></u>	<u><u>3,443,051</u></u>	<u><u>(3,266,214)</u></u>	<u><u>-</u></u>	<u><u>(247,000)</u></u>	<u><u>(792,820)</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	410,998	410,998
Debtors due after more than one year	-	704,000	-	704,000
Current assets	1,092,171	978,180	1,214,987	3,285,338
Creditors due within one year	-	(946,089)	-	(946,089)
Creditors due in more than one year	-	(705,500)	-	(705,500)
Provisions for liabilities and charges	-	(5,131,000)	-	(5,131,000)
Total	<u>1,092,171</u>	<u>(5,100,409)</u>	<u>1,625,985</u>	<u>(2,382,253)</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	146,019	146,019
Debtors due after more than one year	334,000	-	-	334,000
Current assets	403,174	731,964	345,455	1,480,593
Creditors due within one year	-	(393,432)	-	(393,432)
Creditors due in more than one year	-	(335,000)	-	(335,000)
Provisions for liabilities and charges	-	(2,025,000)	-	(2,025,000)
Total	<u>737,174</u>	<u>(2,021,468)</u>	<u>491,474</u>	<u>(792,820)</u>

THE ROSARY TRUST - A CATHOLIC MULTI ACADEMY
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20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(842,433)	176,837
Adjustments for:		
Depreciation	65,174	30,835
Capital grants from DfE and other capital income	(1,472,805)	-
Interest receivable	(1,117)	(1,322)
Defined benefit pension scheme obligation inherited	2,011,000	-
(Increase)/decrease in stocks	(1,026)	55
Increase in debtors	(1,704,466)	(276,182)
Increase in creditors	922,157	73,701
Pension adjustments	348,000	165,000
Donated assets	(233,501)	-
Net cash (used in)/provided by operating activities	(909,017)	168,924

21. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(96,652)	(27,065)
Capital grants from DfE and other capital income	1,472,805	-
Interest received	1,117	1,322
Repayments of borrowings	1,000	-
Net cash provided by/(used in) investing activities	1,378,270	(25,743)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,413,662	944,409

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23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	944,409	469,253	1,413,662

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24. Pension commitments

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

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

Contributions amounting to £92,170 were payable to the schemes at 31 August 2020 (2019 - £44,387) 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 2023.

The employer's pension costs paid to TPS in the year amounted to £463,126 (2019 - £168,364).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

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24. 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 2020 was £385,000 (2019 - £176,000), of which employer's contributions totalled £306,000 (2019 - £141,000) and employees' contributions totalled £ 79,000 (2019 - £35,000). The agreed contribution rates for future years are 21.7-24.2 per cent for employers and 5.5-12.5 per cent for employees.

As described in notes 28 and 29 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

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

	2020	2019
	%	%
Rate of increase in salaries	3.30	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	1.60	1.85
Inflation assumption (CPI)	2.30	2.20
Inflation assumption (RPI)	3.30	3.20

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

	2020	2019
	Years	Years
Retiring today		
Males	21.8	21.3
Females	23.8	23.6
Retiring in 20 years		
Males	23.2	23
Females	25.2	25.4

As at the 31 August 2020 the Trust had a pension liability of £5,131,000 (2019 - £2,025,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

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24. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(209,000)	(85,000)
Discount rate -0.1%	214,000	86,000
Mortality assumption - 1 year increase	344,000	159,000
Mortality assumption - 1 year decrease	(331,000)	(153,000)
CPI rate +0.1%	192,000	77,000
CPI rate -0.1%	(187,000)	(76,000)
	<u><u> </u></u>	<u><u> </u></u>

Share of scheme assets

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

	2020 £	2019 £
Equities	2,606,000	1,233,000
Gilts	180,000	108,000
Corporate bonds	235,000	111,000
Property	327,000	157,000
Cash and other liquid assets	115,000	57,000
Alternative assets	489,000	192,000
Other managed funds	255,000	100,000
	<u><u> </u></u>	<u><u> </u></u>
Total market value of assets	<u><u>4,207,000</u></u>	<u><u>1,958,000</u></u>

The actual return on scheme assets was £98,000 (2019 - £147,000).

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

	2020 £	2019 £
Current service cost	(585,000)	(233,000)
Past service cost	-	(32,000)
Interest income	71,000	46,000
Interest cost	(138,000)	(87,000)
Administrative expenses	(2,000)	-
	<u><u> </u></u>	<u><u> </u></u>
Total amount recognised in the Statement of Financial Activities	<u><u>(654,000)</u></u>	<u><u>(306,000)</u></u>

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24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	3,983,000	3,294,000
Transferred in on existing academies joining the trust	3,191,000	-
Transferred in on new academies joining the trust	632,000	-
Interest cost	138,000	87,000
Employee contributions	79,000	35,000
Actuarial losses	804,000	348,000
Benefits paid	(74,000)	(46,000)
Past service costs	-	32,000
Current service cost	585,000	233,000
	<u>9,338,000</u>	<u>3,983,000</u>

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

	2020 £	2019 £
At 1 September	1,958,000	1,681,000
Transferred in on existing academies joining the trust	1,528,000	-
Transferred in on new academies joining the trust	284,000	-
Interest income	71,000	46,000
Actuarial gains	57,000	101,000
Employer contributions	306,000	141,000
Employee contributions	79,000	35,000
Benefits paid	(74,000)	(46,000)
Administrative expenses	(2,000)	-
	<u>4,207,000</u>	<u>1,958,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Operating lease commitments

At 31 August 2020 the Trust has commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Land and Buildings		
Not later than 1 year	-	2,500
Between 1 and 5 years	-	-
	-	2,500
	-	2,500
	2020 £	2019 £
Other		
Not later than 1 year	6,504	3,496
Between 1 and 5 years	12,581	1,288
	19,085	4,784
	19,085	4,784

26. Members' liability

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

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27. Related party transactions

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

The Trust operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Diocese, the Trust and the Secretary of State, the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing land and buildings for a further 26 months from the year end. The Trustees estimate the cost of renting an equivalent buildings would be £352,000 per annum. On this basis a donation from the Diocese of £352,000 is shown in accounts together with a notional expense of £352,000. In addition, included within the debtors is a donation in kind received of £1,056,000 representing the commitment by the Diocese to provide the land and buildings rent free for a further 36 months.

During the period the Trust incurred expenditure of £28,801 (2019 - £2,898) in relation to educational support services from The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams, a member of The Rosary Trust - A Catholic Multi Academy, is a Director of the sole trustee of The Brentwood Roman Catholic Diocesan Trust. At the year there was a balance of £1,297 (2019 - £NIL) owed by The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams is entitled to exercise 10% of the voting power of The Brentwood Catholic Diocesan Trust and has no financial or profit share entitlement so transactions with The Brentwood Roman Catholic Diocesan Trust are not subject to the 'at cost' rules set out in the Academies Financial Handbook.

The spouse of Trustee Mr S Fenning is employed by the Trust on a contract approved by Trustees. Their remuneration is in line with the standard payscales for the role undertaken and their employment contract is subject to normal terms and conditions.

During the period the Trust incurred expenditure of £NIL (2019 - £124) in relation to educational support services from The North Essex Catholic Schools Millennium Trust. Bridget Harris and Moira Breeze, Members of The Rosary Trust - A Catholic Multi Academy, are Trustees.

There were no other related party transactions during the year ended 31 August 2020.

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28. Conversion to an Academy Trust

On 1 February 2020 St Pius X Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Rosary Trust - A Catholic Multi Academy from Essex County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Other tangible fixed assets	-	-	79,390	79,390
Current assets				
Cash - representing budget surplus on Local Authority funds	123,715	-	-	123,715
Pensions				
Pensions - pension scheme assets	-	284,000	-	284,000
Pensions - pension scheme liabilities	-	(632,000)	-	(632,000)
Net assets/(liabilities)	<u>123,715</u>	<u>(348,000)</u>	<u>79,390</u>	<u>(144,895)</u>

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29. Transfer of existing academies into the Trust

Our Lady Immaculate Catholic Primary School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Furniture and equipment	10,978	10,978
Computer equipment	6,853	6,853
Current assets		
Debtors due within one year	184,705	184,705
Cash at bank and in hand	261,207	261,207
Liabilities		
Creditors due within one year	(146,868)	(146,868)
Creditors due after one year	(104,500)	(104,500)
Pensions		
Pensions - pension scheme assets	883,000	883,000
Pensions - pension scheme liabilities	(1,751,000)	(1,751,000)
Net liabilities	<u>(655,625)</u>	<u>(655,625)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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29. Transfer of existing academies into the Trust (continued)

St Teresas Catholic Primary School

	Value reported by transferring trust £	Transfer in recognised £
Tangible fixed assets		
Furniture and equipment	169,667	169,667
Computer equipment	16,613	16,613
Current assets		
Debtors due within one year	183,976	183,976
Cash at bank and in hand	175,555	175,555
Liabilities		
Creditors due within one year	(153,674)	(153,674)
Creditors due after one year	(114,000)	(114,000)
Pensions		
Pensions - pension scheme assets	645,000	645,000
Pensions - pension scheme liabilities	(1,440,000)	(1,440,000)
Net liabilities	(516,863)	(516,863)

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30. Teaching school trading account

	2020	2020	2019	2019
	£	£	£	£
INCOME				
Direct income				
Teacher training	43,500		47,500	
Total income		43,500		47,500
EXPENDITURE				
Direct expenditure				
Direct staff costs	34,056		31,692	
Staff development	4,120		8,025	
Other staff costs	55		71	
Total direct expenditure	38,231		39,788	
Other expenditure				
Other staff costs	4,992		5,175	
Other support costs	277		2,537	
Total other expenditure	5,269		7,712	
Total expenditure		43,500		47,500
Teaching school balances at 1 September 2019		-		-
Teaching school balances at 31 August 2020		-		-