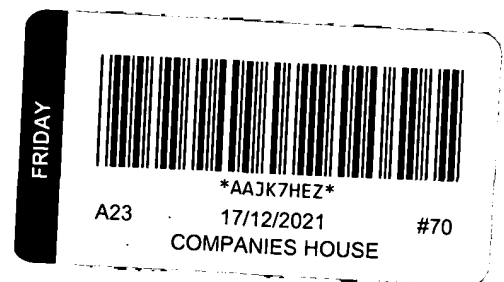


CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3
Statement of Trustees' responsibilities	19
Independent auditors' report on the financial statements	20 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27 - 28
Balance sheet	29
Statement of cash flows	30
Notes to the financial statements	31 - 64

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr S R Parsons LIB MBE DL Mr C Martin Prof W J Browne Mr M Johnson, Acting Dean of Bristol (Resigned 3 October 2020) The Very Rev'd A K Ford, Dean of Bristol (appointed 15 October 2020) Ms A Lythgoe (appointed 15 October 2020) Mr R Bacon (appointed 15 October 2020) Mr A Hafeez (appointed 15 October 2020) Rt Rev'd V Faull (appointed 15 October 2020)
Trustees	Mr S R Parsons LIB MBE DL, Chair ^{1,2,3,4} Mr N Blundell, Executive Principal ^{1,2,3} Mr S P Atkinson ⁴ Ms N Boyce ² Mrs M Ipinson-Fleming ² Mr M D Lea FCA ³ The Very Rev'd A K Ford (appointed 3 October 2020) ¹ Ms C A Galliers ¹ Mr C M A Johnson (resigned 3 October 2020) Ms F E Purcell ^{3,4} Mr A Wright FCA (appointed 6 July 2021) ^{3,4} ¹ Education and Standards Committee ² Human Resources Committee ³ Finance Committee ⁴ Audit and Risk Committee
Company registered number	06516626
Company name	Cathedral Schools Trust
Principal and registered office	College Square Bristol BS1 5TS
Accounting Officer	Mr N Blundell
Senior Management Team	Mr P Atkins, Headteacher of Bristol Cathedral Choir School Mr E Bailey, Headteacher of Trinity Academy Mr N Bailey, Headteacher of Victoria Park Primary School Ms C Delor, Headteacher of Hotwells Primary School Ms H Faulkner, Headteacher of St Werburgh's Primary School Mr A Gingell, Headteacher of Headley Park Primary School Mr J Humphreys, Headteacher of St Katherine's School Ms A Lambert, Headteacher of Stoke Park Primary School Mrs S Yarnold, Headteacher of Cathedral Primary School Mr S Eakins, Trust Finance Director Mrs A R Williams, Trust Operations Manager Mrs A Meertens, Trust Strategic Manager Mr J Lacey, Primary Lead

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL
Bankers	Lloyds Bank Plc Sedgemoor House Deane Gate Avenue Taunton TA1 2UF
Solicitors	Veale Wasborough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 6 primary and 3 secondary academies for pupils aged 4 to 19 in Bristol. It has a pupil capacity of 4,542 and had a roll of 4,570 in the school census in October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Cathedral Schools Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Cathedral Schools Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details.

Trustees' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000.

Method of recruitment and appointment or election of Trustees

The Articles of Association adopted on 1 December 2020 state that the number of Trustees shall be at least 5 but is not subject to a maximum. Other than the Dean of Bristol Cathedral and the Executive Principal who are Trustees acting ex officio, all other Trustees are either appointed by Members or co-opted by Trustees who were not themselves co-opted. Trustees are subject to retirement by rotation. Trustees are eligible for re-election at the meeting at which they retire. The Trustees to retire are those who have served the longest in office since their appointment or re-election. The term of office for any Trustee is 4 years, although this time limit does not apply to the Executive Principal or to the Dean of Bristol Cathedral.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Policies and Procedures adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Schools and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The management structure consists of three levels: the Trustees, the Local Governing Bodies (LGBs) and the Senior Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Academy Trust's elected and nominated Trustees are appointed at a meeting of the Trustees. The composition of the Trustees is specified in the Articles of Association of the Trust. Whilst there are a number of provisions to appoint Trustees in varying circumstances the normal membership will be:-

- Up to seven Trustees appointed by the Members;
- The Dean of the Cathedral Church of the Holy and Undivided Trinity in Bristol
- The Executive Principal (ex-officio) (subject to appointment as a Trustee by the Members);
- At least two parent Trustees elected or appointed under Articles 53-56, unless there is a minimum of one Parent Local Governor serving on each LGB (and in all other cases, such number of parent Trustees as may be confirmed by the Members);
- Co-opted Trustees (appointed by those Trustees who are not themselves co-opted Trustees).

The Articles include the provision that there will be a minimum of 5 Trustees and that the proportion of Trustees who are Academy Trust employees must not exceed one third. The number of Trustees is not subject to a maximum.

The Trustees are responsible for setting the Academy Trust's policies, adopting the Academy Improvement Plans and budget, monitoring academic and financial performance against these plans and making major decisions about the direction of the Academy Trust including the Academies' curriculums, the achievement and welfare of students and staffing.

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 3 committees as follows;

- Finance, Risk and Audit - this meets 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 internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. During the year the Finance, Risk and Audit Committee was split into two separate committees, the Finance Committee and the Risk & Audit Committee.
- Educational Standards - this meets once a term to monitor, evaluate and review Trust policy, practice and performance in relation to curriculum planning and delivery, target setting and assessment, examinations and all pastoral issues.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- Human Resources - this meets once a term to consider, determine and review any strategies and policies for human resources and organisational development. It also reviews the framework or policy for remuneration of staff including senior executives.

The Local Governing Bodies (LGBs) for the Academies within the Trust are also committees of the Trustees. The LGBs operate at the Academy level and have been operational since the new Articles were adopted. The LGBs have delegated responsibilities for setting policies applicable to individual Academies and for monitoring performance at the individual Academy level. Their principal focus is Teaching and Learning. The LGB of each Academy within the Academy Trust is permitted a maximum of 12 members to include:

- Headteacher
- At least 1 elected Parent
- Up to 2 elected Staff (one Teaching/one non-Teaching)
- Local governors

Day to day management is delegated to the senior management team of each individual Academy - including the Headteacher and their senior leadership team assisted by Academy Trust staff including the Trust Operations Manager and the Trust Finance Director.

The Executive Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The setting of pay and remuneration for all key management excluding the Executive Principal and Heads of School is delegated by the Trustees to the Senior Leadership Team (SLT). Previously all job roles at the Trust had been assigned a pay scale spanning, typically, 5 pay scale points. In setting the pay and remuneration for key management personnel in the period, the SLT took into account the assumed pay scale for the role, the advertised salary for similar roles in the market place and the pay policy.

All staff, including key management personnel, engage annually in a process of Performance Management overseen by the SLT, to determine whether it is appropriate, where applicable, for progression to the next scale point. The Executive Principal's salary for the year ended 31 August 2021 was consistent with the historically set pay grade banding for the role of Executive Principal and was approved directly by the Trustees who Performance Manage the Executive Principal. In addition, the Executive Principal's salary is benchmarked against Academy Trusts of similar size.

Trade union facility time

There were no relevant union officials for the year ended 31 August 2021.

Related Parties and other Connected Charities and Organisations

The Academy Trust previously leased land and buildings at a peppercorn rent from Bristol Cathedral School (BCS) and also provided administrative assistance to BCS. The freehold property was transferred to the Trust from BCS in the year to 31st August 2020 and the charity was formally wound up during the year. Two Trustees acted for both the Trust and BCS during the period (S Parsons and M Lea).

Bristol Cathedral is a related party. The Academy Trust leases buildings from Bristol Cathedral at an agreed rent of £248,180 in 2020/21, which is subject to an annual increase in line with CPI. There are also smaller transactions between the two parties during the year including for provision of gas by the Cathedral and a recharge of musician costs. Three of the Trustees are also related parties of Bristol Cathedral; the Dean is the Dean of Bristol Cathedral, Mr S Parsons is a member of the Chapter of Bristol Cathedral and Mr S Parsons and Mr M Lea are Directors of Bristol Cathedral Trust.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Have staff representatives on a People Strategy Group who act as a link between the staff and the senior management team and an advisory group
- Regular updates to all staff members, via termly updates and newsletters

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

The Trust works constructively with all suppliers and customers as they recognise that relationships are ongoing and need to be fostered. This was very much in evidence during the year as our suppliers continued to recover from Covid 19. During this period we worked hard with suppliers and customers, in line with the government's guidance, as set out in the Procurement Policy Note 04/20, to continually work with suppliers, especially those at risk, to ensure that our ongoing relationship was preserved and we assisted key suppliers where applicable.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's objects as set out in the Company's Articles of Association are: "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining and carrying on, managing and developing a school offering a broad and balanced curriculum with a strong emphasis on, but not limited to, music and choral singing (including the provision of choristers for Bristol Cathedral) and which will provide religious instruction to its pupils in accordance with the tenets of the Church of England."

Objectives, Strategies and Activities

Trustees have updated their vision and values setting new strategic objectives for 2021-2025.

At CST we are unapologetic in our pursuit of excellence for the people and communities we serve. With a passion for learning within and beyond our classrooms and a deep commitment to music and the creative arts, every child and member of staff is empowered to realise their full potential as learners, people, and agents of positive change. At CST we are creative, collaborative and reflective.

Underpinning all of our work are the following values:

Creative

We value creativity in particular in music, the performing arts and co-curricular, providing exceptional opportunities for staff and children to be ambitious and to fulfil their creative potential.

Collaborative

We collaborate within schools, across our family of schools and with our wider communities. We listen and encourage, sharing what we do well and providing one another with high levels of challenge and support. By doing so, we ensure that all of our students and school communities benefit from our collective wisdom, energy and skill.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Reflective

We nurture an understanding and respect for all people and cultures. We value the unique qualities of our schools and celebrate both the similarities and differences between our Christian and non Christian schools.

We have high expectations, enabling every child to realise their potential, especially the most disadvantaged. We are ambitious for staff and encourage them to be reflective.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

As elsewhere, COVID-19 had a significant impact on our schools and communities throughout the whole of this year. The impact varied across our schools, some experienced very high levels of transmission and positive cases leading to significant cover related costs. Bristol Cathedral Choir School was impacted most negatively and there was considerable disruption in all schools with absent staff and high levels of cover.

Secondaries

The Trinity Academy building was completed this year and the school population moved in during August and September making the plans for a further term in temporary accommodation redundant. The school is currently full and oversubscribed. We are also pleased that St Katherine's continues to be full for the third year in a row. The leadership team have changed the timing of the school day ensuring that students make the most of the co-curricular offer and putting in place a detention/sanction facility that the school has not been able to do before because of the reliance on external transport companies. The Trust also took on the responsibility of running the school buses during the year which presented a new risk to the Trust but it is running very well with a much improved service.

The Headteacher at Bristol Cathedral Choir School, Paul Atkins, took early retirement at 31st August 2021 and was replaced by Jo Thurston, previously a Deputy Headteacher at Trinity Academy. The secondary schools all worked on a curriculum alignment project in the second part of the year ensuring full KS4 curriculum alignment by 2024.

Primaries

The trust welcomed two primary schools to the family over the summer. Hotwells Primary School joined on 1st July 2021 and St Werburgh's Primary School on 1st August 2021. During the course of the academic year Headley Park Primary School and Stoke Park Primary School decided to pilot a joint curriculum initiative (CUSP) effectively aligning foundation subjects and Hotwells will also adopt this initiative from December 2021. All six primary schools will be using PIXL assessment strategies and have commissioned a phonics audit. All primary schools have also adopted a joint oracy project called "Talk 21" further strengthening the collaboration across the Primaries.

All of our schools have adopted a method of instructional coaching (Powerful Action Steps) to ensure that leaders are better able to support incremental improvements in teaching over time for all colleagues.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £927,683 was carried forward representing 5.1% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2021 were 4,499, an increase of 1,088 over 2020 due to both growth in schools and the two schools that joined us during the year. It is anticipated that this number will continue to rise though we have no plans to add school this academic year.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2021 this was 104.6%, compared to 100.3% in 2020.

The trust has made a number of significant achievements in the year under review. Key achievements include:

- Successfully moving into the new Trinity Academy buildings over the summer of 2021 in time for the existing and new intake of students;
- Strong links and collaboration between Trust schools seeing the development of key "drive groups" across the Trust disseminating best practice across the schools to include
 - Primary subject groups
 - People strategy group
 - Inclusion group
 - KS4 curriculum alignment work. Appointment of curriculum lead
 - KS3 and 4 assessment group using GL assessment. Appointment of assessment lead.
- Successfully integrated Hotwells Primary School and St Werburgh's Primary School into the Trust as they joined on 1st July 2021 and 1st August 2021 respectively.

Going Concern

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

FINANCIAL REVIEW

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2021, the Academy Trust received total income of £54,741,562 including pension on conversion of £(1,350,000) and £32,938,677 in the fixed asset fund in respect of conversion balances, donated fixed assets and DfE/ESFA capital grants. The Academy Trust incurred total expenditure of £25,947,263 including £1,229,000 in respect of the LGPS deficit and £2,117,745 of depreciation in the fixed asset fund. The Academy Trust's restricted funds and unrestricted funds (excluding the restricted fixed asset fund and pension reserve) generated a combined surplus for the year of £552,368 (2020: £91,183).

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

At 31 August 2021 the net book value of fixed assets was £71,542,307 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

On 1st July 2021 Hotwells Primary School joined the Trust. As a single academy trust it transferred its assets and liabilities across to the Trust. Details of this are shown in note 26.

On 1st August 2021 St Werburgh's Primary School converted to academy status and joined the Trust. Details of this are shown in note 25.

The Trust also has a number of Key Performance Indicators which it reviews on a monthly basis as part of the management accounts review. These include, amongst others, the following financial KPI's:

- Pupil to teacher ratio
- Teaching to non-teaching ratio
- Contact ratio
- Staff costs as a percentage of income
- Average Teacher cost
- Average non-teacher cost
- Average class size
- Reserves as a % of income

Key financial policies adopted or reviewed during the year include the Financial Regulations Policy and the Delegated Authority Matrix which lay out the framework for financial management, including financial responsibilities of the Board, Executive Principal, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

The Trustees review annually the reserves policy and the level of reserves of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of reserves which are not invested in tangible fixed assets or held back to meet the LGPS liability should be equivalent to one month's gross salary cost, being estimated as between £1.8m and £1.9m. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

At 31 August 2021, such reserves totalled £1,925,500 (2020: £1,670,670).

The defined benefit pension scheme reserve has a negative balance of £14,579,000 (2020: £8,267,000). The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums may be invested on deposit for extended periods.

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Executive Principal and Finance Director within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 96% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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 Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement 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 Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trust has agreed a Risk Register. This has been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the majority of the schools within the Trust are over-subscribed, risks to revenue funding from a falling roll are small. However, the increased costs, specifically around staff payrises, mean that budgets will be increasingly tight in coming years.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance, Risk and Audit Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 28 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Trust undertakes limited amounts of fund-raising activities. The majority of the fundraising activities are undertaken by the school's parents' bodies who run a number of events to raise money for their schools. The schools work closely with these organisations to ensure that the activities are consistent with the schools aims and objectives and comply with all appropriate guidelines.

The Trust has launched an ambitious campaign to raise significant funds for Trinity Academy. This is to supplement the budget we have been allocated by the DfE to ensure we have world class facilities at the new building especially in the area of the performance areas.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	3,862,816	3,756,652
<u>Scope 1 emissions in metric tonnes CO2e</u>		
Gas consumption	430.6	432.4
Owned transport – mini-buses	4.1	5.4
<u>Total scope 1</u>	434.7	437.8
<u>Scope 2 emissions in metric tonnes CO2e</u>		
Purchased electricity	354.6	327.6
<u>Scope 3 emissions in metric tonnes CO2e</u>		
Business travel in employee owned vehicles	0.8	2.6
<u>Total gross emissions in metric tonnes CO2e</u>	790.0	768.0
<u>Intensity ratio</u>		
Tonnes CO2e per pupil	0.20	0.22

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Measures taken to improve energy efficiency

We have undertaken a number of steps to reduce our gross emissions which includes the following:

- Introduced more online meetings to reduce the travel between school sites;
- Replacing old inefficient lights with energy saving LED's. This will continue to happen as finances allow over the coming years;
- We have installed smart meters across some of our sites to improve our understanding of our energy consumption.

In addition we are in the process of setting up a scheme to encourage the use of electric cars which will involve installing charging points at our school sites. We hope this will be operational during 2021/22.

PLANS FOR FUTURE PERIODS

The new strategic objectives are as follows:

Improving the quality of education for all our students

- All children receive a well-considered and appropriate curriculum offer, especially those who are in any way disadvantaged.
- All children have access to a rich, ambitious and creative co-curricular experience.
- Develop a leading-edge provision for music, led by our specialist schools.
- Improve quality of teaching through reflection, collaboration and incremental coaching.
- Disseminate effective practice, building alignment where it adds value.

Effective central services and a modern estate

- CST estate is safe, well maintained and developed for future generations.
- All schools are financially secure with sufficient reserves across the trust.
- Robust and resilient systems and processes

Developing our people to be agents of positive change

- Staff are reflective, creative and ambitious and better represent the diversity of our school communities.
- All staff receive a comprehensive suite of CPLD opportunities.
- Appropriate support is available when staff members are facing challenges.

Successful partnerships

- New creative partnerships are formed that develop teaching and leadership across the MAT.
- External partnerships consolidate a trust-wide approach to music and the performing arts and create additional revenue streams.

Strong governance

- Governance accurately challenges and supports leaders to improve teaching and leadership.
- Succession plans and change management implemented effectively.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming 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 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'S. Parsons', with a horizontal line and a comma at the end.

Stephen Parsons
Chair of Trustees

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cathedral Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. The unusually large number of meetings was due to the ongoing response required due to Covid-19. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr S R Parsons, LIB MBE DL, Chair	8	8
Mr N Blundell, Executive Principal	8	8
Mr S P Atkinson	8	8
Mrs M Ipinson-Fleming	6	8
Mr M D Lea FCS	6	8
Mr A Wright FCA	0	0
Ms N Boyce	6	8
The Very Rev'd A K Ford, Dean of Bristol	6	7
Ms C A Galliers	8	8
Ms F Purcell	7	8
Mr M Johnson, Acting Dean of Bristol	1	1

Canon M Johnson resigned on 3 October 2020 as his time as Acting Dean came to an end. The Very Rev'd A K Ford was appointed on 15 October 2020 in her capacity as Dean of Bristol Cathedral.

Mr A Wright was appointed on 6 July 2021 as part of the Board's review of skills required. The composition of the Board continues to be reviewed on an ongoing basis to ensure that the Board covers a broad set of skills.

The Finance, Risk and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to act with specific financial oversight of the Trust including the review of financial information and oversee the budget and forecast planning, consider the annual report and meet with the auditors as well as review the Trust's risk register. During the year, as part of its governance review, the sub-committee was split into two separate sub-committees, the Finance Committee and the Audit & Risk Committee. The primary purpose of the finance committee is to have financial oversight of the Trust including the budgeting and forecasting as well as reviewing the Trust's performance year to date.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Attendance during the year at meetings of the Finance Committee (formerly the Finance, Risk and Audit Committee) was as follows:

Trustee or Governor	Meetings attended	Out of a possible
Mr M D Lea FCS Chair	3	4
Mr S R Parsons, LIB MBE DL	4	4
Mr N Blundell, Executive Principal	4	4
Ms F Purcell	4	4
Mr A Wright FCA	4	4
Mr W Harding	4	4

The Audit and Risk Committee first met as a stand-alone committee on 14 June 2021 and its primary function is to review the work of the internal and external auditors and review the Trust's Risk Register. Attendance during the year at meetings of the Risk & Audit Committee was as follows:

Trustee or Governor	Meetings attended	Out of a possible
Ms F Purcell Chair	1	1
Mr S Atkinson	1	1
Mr S R Parsons, LIB MBE DL	1	1
Mr A Wright FCA	1	1

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Executive Principal 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 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 for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management;
- Value for money purchasing, specifically around the FF&E purchases for Trinity Academy where a number of tenders were undertaken with the assistance of the DfE's School Buying Hub;
- Further imbedding of the Integrated Curriculum Financial Planning methods into the budgeting cycle and the inclusion of further benchmarking across the schools within the Trust to ensure efficient use of resources;
- The Trust underwent a review of the Trust's central structure during the year to inform our growth plans as a Trust going forward.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks 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 Cathedral Schools Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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, Risk and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (assets purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Audit West 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:

- Budgetary control;
- Value for Money; and
- Review of School Financial Controls.

Three times a year the auditor reports to the Board of Trustees, through the Finance, Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

In addition to the reports submitted the auditor has produced an annual report giving details of the work performed during the year and giving an overall opinion of the scrutiny programmes for the Trust. A number of recommendations were made throughout the year and reported to Trustees.

REVIEW OF EFFECTIVENESS

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

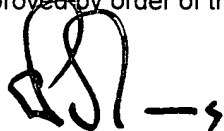
- The work of the internal auditor
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

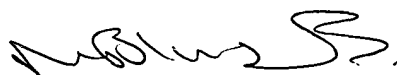
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Risk and 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 and signed on their behalf by:



Stephen Parsons
Chair of Trustees



Neil Blundell
Accounting Officer

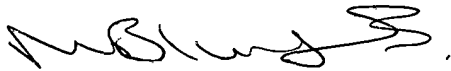
**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Neil Blundell
Accounting Officer
Date: 9 December 2021

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and signed on its behalf by:



Mr S R Parsons LIB MBE DL
Chair of Trustees

Date: 9 December 2021

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATHEDRAL SCHOOLS TRUST**

OPINION

We have audited the financial statements of Cathedral Schools Trust (the 'trust') for the year ended 31 August 2021 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 2020 to 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education 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

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

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

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

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATHEDRAL SCHOOLS TRUST (CONTINUED)**

OTHER INFORMATION

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the 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.

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATHEDRAL SCHOOLS TRUST (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations; and assessment of the impact of schools joining the Trust in relation to these areas;
- how the Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATHEDRAL SCHOOLS TRUST (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 charitable 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 charitable 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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CATHEDRAL SCHOOLS TRUST (CONTINUED)**



Joseph Scaife FCA DChA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date:

14/12/2021

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CATHEDRAL SCHOOLS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cathedral Schools Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF CATHEDRAL SCHOOLS TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Cathedral Schools Trust's funding agreement with the Secretary of State for Education dated 28 January 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls, policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CATHEDRAL
SCHOOLS TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Scaife FCA DChA (Reporting Accountant)
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date:

14/12/2021

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
	3					
Transfer from local authority on conversion		110,548	(500,000)	5,080,850	4,691,398	-
Transfer from another academy trust		165,399	(850,000)	2,421,294	1,736,693	-
Donated assets		-	-	24,114,600	24,114,600	1,170,646
Other donations and capital grants		-	127,862	1,321,933	1,449,795	1,450,525
Other trading activities	5	87,237	-	-	87,237	154,237
Investments	6	2,334	-	-	2,334	8,841
Charitable activities	4	469,980	22,149,276	-	22,619,256	19,606,326
Teaching schools	33	-	40,249	-	40,249	46,450
Total income		835,498	20,967,387	32,938,677	54,741,562	22,437,025
Expenditure on:						
Charitable activities		464,219	23,325,049	2,117,746	25,907,014	21,944,739
Teaching schools		-	40,249	-	40,249	46,666
Total expenditure		464,219	23,365,298	2,117,746	25,947,263	21,991,405
Net income/(expenditure)		371,279	(2,397,911)	30,820,931	28,794,299	445,620
Transfers between funds	18	(25,146)	(272,392)	297,538	-	-
Net movement in funds		346,133	(2,670,303)	31,118,469	28,794,299	445,620
Other recognised gains/(losses):						
Actuarial losses on pension schemes	28	-	(3,733,000)	-	(3,733,000)	(239,000)
Net movement in funds		346,133	(6,403,303)	31,118,469	25,061,299	206,620

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	651,684	(7,248,014)	41,103,606	34,507,276	34,300,656
Net movement in funds	346,133	(6,403,303)	31,118,469	25,061,299	206,620
Total funds carried forward	997,817	(13,651,317)	72,222,075	59,568,575	34,507,276

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

The notes on pages 31 to 64 form part of these financial statements.

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:06516626

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	71,542,307	40,462,213
		<u>71,542,307</u>	<u>40,462,213</u>
Current assets			
Debtors	15	2,047,671	1,545,324
Cash at bank and in hand		3,689,743	2,844,782
		<u>5,737,414</u>	<u>4,390,106</u>
Creditors: amounts falling due within one year	16	(3,100,108)	(2,078,043)
Net current assets		<u>2,637,306</u>	<u>2,312,063</u>
Total assets less current liabilities		<u>74,179,613</u>	<u>42,774,276</u>
Creditors: amounts falling due after more than one year	17	(32,038)	-
Defined benefit pension scheme liability	28	(14,579,000)	(8,267,000)
Total net assets		<u><u>59,568,575</u></u>	<u><u>34,507,276</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	72,222,075	41,103,606
Restricted income funds	18	927,683	1,018,986
		<u>73,149,758</u>	<u>42,122,592</u>
Restricted funds excluding pension asset	18		
Pension reserve	18	(14,579,000)	(8,267,000)
Total restricted funds	18	<u>58,570,758</u>	<u>33,855,592</u>
Unrestricted income funds	18	<u>997,817</u>	<u>651,684</u>
Total funds		<u><u>59,568,575</u></u>	<u><u>34,507,276</u></u>

The financial statements on pages 27 to 64 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Mr S R Parsons LIB MBE DL
Chair of Trustees

Date: 9 December 2021



The notes on pages 31 to 64 form part of these financial statements.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	982,168	564,858
Cash flows from investing activities	22	(308,134)	4,287
Cash flows from financing activities	21	170,927	-
Change in cash and cash equivalents in the year		844,961	569,145
Cash and cash equivalents at the beginning of the year		2,844,782	2,275,637
Cash and cash equivalents at the end of the year	23, 24	3,689,743	2,844,782

The notes on pages 31 to 64 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Trust 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

1.3 INCOME

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

• **Grants**

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

General Annual Grant 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within '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.

- **Donated fixed assets (excluding transfers on conversion or into the Trust)**

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

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, 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:

Freehold property	- Over 50 years
Long-term leasehold land and buildings	- Over the period of the lease or 50 years whichever is shorter
Furniture, fixtures and equipment	- Over 5 - 10 years
Motor vehicles	- Over 4 years
ICT equipment	- Over 3 years
Minor building works	- Over 10 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

1.6 OPERATING LEASES

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

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 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 and cash on deposit that has a notice period of less than 30 days.'

1.9 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 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 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1.12 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable applications of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at the period end are disclosed in note 30.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.13 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
DONATIONS					
Transfer from local authority on conversion	110,548	(500,000)	5,080,850	4,691,398	-
Transfer from another academy trust	165,399	(850,000)	2,421,294	1,736,693	-
Donated assets	-	-	24,114,600	24,114,600	1,170,646
	<u>275,947</u>	<u>(1,350,000)</u>	<u>31,616,744</u>	<u>30,542,691</u>	<u>1,170,646</u>
Donations	-	127,862	51,306	179,168	249,682
Capital Grants	-	-	1,270,627	1,270,627	1,200,843
	<u>-</u>	<u>127,862</u>	<u>1,321,933</u>	<u>1,449,795</u>	<u>1,450,525</u>
TOTAL 2021	<u>275,947</u>	<u>(1,222,138)</u>	<u>32,938,677</u>	<u>31,992,486</u>	<u>2,621,171</u>
TOTAL 2020	<u>49,888</u>	<u>171,103</u>	<u>2,400,180</u>	<u>2,621,171</u>	

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. FUNDING FOR THE TRUST'S EDUCATIONAL ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant	-	18,044,125	18,044,125	15,876,579
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	893,535	893,535	819,284
Start up Grants	-	178,500	178,500	200,000
UIFSM	-	269,271	269,271	221,998
Teachers Pay and TPS Grants	-	874,259	874,259	811,500
Other DfE Group grants	-	561,744	561,744	653,189
	-	20,821,434	20,821,434	18,582,550
OTHER GOVERNMENT GRANTS				
SEN Funding	-	596,387	596,387	363,939
Pupil Premium	-	33,462	33,462	37,242
Other Local Authority Grants	-	341,933	341,933	386,520
	-	971,782	971,782	787,701
Other income from the Trust's education	469,980	-	469,980	236,075
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	257,600	257,600	-
Mass Testing Grant	-	98,460	98,460	-
	-	356,060	356,060	-
TOTAL 2021	469,980	22,149,276	22,619,256	19,606,326
TOTAL 2020	236,075	19,370,251	19,606,326	

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

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	47,274	47,274	48,440
External Catering	10,416	10,416	34,375
Fees received	29,547	29,547	71,422
TOTAL 2021	87,237	87,237	154,237
TOTAL 2020	154,237	154,237	

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	2,334	2,334	8,841

All amounts received in the 2020 financial year relate to unrestricted funds.

7. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
EDUCATION:					
Direct costs	16,328,525	1,612,209	1,903,201	19,843,935	16,398,480
Allocated support costs	2,508,169	2,240,123	1,314,787	6,063,079	5,546,259
Teaching school	40,249	-	-	40,249	46,666
	18,876,943	3,852,332	3,217,988	25,947,263	21,991,405
TOTAL 2020	15,919,911	3,368,279	2,703,215	21,991,405	

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	19,843,935	6,063,079	25,907,014	21,944,739
TOTAL 2020	16,398,480	5,546,259	21,944,739	

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance cost	97,000	121,000
Staff costs	15,677,602	13,538,582
Depreciation	1,835,761	1,118,937
Educational supplies	470,972	446,986
Examination fees	162,594	170,376
Staff development	72,065	75,544
Other costs	99,086	110,428
Agency staff	649,984	228,505
Trip expenditure	72,166	84,205
Maintenance of premises and equipment	230,594	176,157
Security and transport	223,387	47,480
Technology costs	248,701	265,158
Office overheads	4,023	15,122
TOTAL 2021	19,843,935	16,398,480

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	63,000	31,000
Staff costs	2,501,075	2,107,698
Depreciation	281,985	171,440
Staff development	11,247	11,288
Other costs	2,370	439
Agency staff	7,094	1,649
Recruitment and support	51,335	56,822
Maintenance of premises and equipment	633,685	820,687
Cleaning	506,058	334,064
Rent and rates	467,460	457,461
Energy costs	289,369	286,389
Insurance	75,839	100,717
Security and transport	67,750	102,407
Catering	415,629	408,935
Technology costs	10,770	1,571
Office overheads	131,944	124,579
Legal and professional	221,773	244,484
Bank interest and charges	3,560	7,334
Governance	14,125	17,820
Educational consultancy	307,011	259,475
TOTAL 2021	6,063,079	5,546,259

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	342,751	347,506
Depreciation of tangible fixed assets	1,637,746	1,290,374
Fees paid to auditors for:		
- audit	19,000	16,250

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	12,954,856	11,556,219
Social security costs	1,279,876	1,117,058
Pension costs	3,984,194	3,016,480
	<u>18,218,926</u>	<u>15,689,757</u>
Agency staff costs	658,017	230,154
	<u><u>18,876,943</u></u>	<u><u>15,919,911</u></u>

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	210	190
Educational Support	161	132
Administration and Clerical	95	90
Management	43	39
	<u>509</u>	<u>451</u>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	185	168
Educational Support	109	91
Administration and Clerical	58	53
Management	39	37
	<u>391</u>	<u>349</u>

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	14	7
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	2	3
In the band £90,001 - £100,000	3	1
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Trust comprise the Trustees and those serving the Academy Trust as Principals and Heads of Schools during the year. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,127,200 (2020 - £1,006,453).

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. CENTRAL SERVICES

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

- recruitment and human resources
- financial services
- payroll
- HR services
- estates management
- admissions services
- IT services
- governance

The Trust charges for these services on the following basis:

All other services are recharged in aggregate at an annual level agreed by both parties. This annual level is derived by applying the proportion of time each department reports spends on the schools related matters to the total salaries with on-costs for that department.

During the year the Trust charged the Academies the following percentage of their GAG, Teachers Pay Grant and TPS Grant income: Bristol Cathedral Choir School - 8%, Cathedral Primary School - 6%, Trinity Academy - 12%, all other schools were charged 5%. Academies are charged based on the services they require from the Trust. The differing %'s reflect the different reliance on the central team to serve functions within the schools.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Bristol Cathedral Choir School	498,332	561,053
Cathedral Primary School	115,006	127,207
Headley Park Primary School	100,048	98,533
Victoria Park Primary School	90,681	87,321
St Katherine's School	299,001	261,394
Stoke Park Primary School	55,690	52,330
Trinity Academy	200,108	118,794
Hotwells Primary School	6,528	-
St Werburgh's Primary School	7,469	-
TOTAL	1,372,863	1,306,632

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows: N Blundell: Remuneration £135,000 - £140,000 (2020: £125,000 - £130,000), Employer's pension contributions £30,000 - £35,000 (2020: £25,000 - £30,000).

During the year ended 31 August 2021, expenses totalling £808 were reimbursed or paid directly to 1 Trustee (2020 - £2,732 to 2 Trustees).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost is part of a larger premium and not identifiable separately.

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. TANGIBLE FIXED ASSETS

	Long-term leasehold & freehold property £	Minor building works £	Assets under construction £	Furniture, ICT equipment & motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2020	43,185,124	1,554,003	315,240	3,543,831	48,598,198
Additions	31,666,605	274,671	-	1,256,563	33,197,839
Transfers between classes	253,391	-	(315,240)	61,849	-
At 31 August 2021	75,105,120	1,828,674	-	4,862,243	81,796,037
DEPRECIATION					
At 1 September 2020	4,567,367	621,094	-	2,947,524	8,135,985
Charge for the year	1,434,142	155,057	-	528,546	2,117,745
At 31 August 2021	6,001,509	776,151	-	3,476,070	10,253,730
NET BOOK VALUE					
At 31 August 2021	69,103,611	1,052,523	-	1,386,173	71,542,307
At 31 August 2020	38,617,757	932,909	315,240	596,307	40,462,213

Included within the cost of long-term leasehold and freehold property is freehold property which was professionally valued in the 2019/20 financial year at £12m.

15. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	52,916	28,590
Other debtors	56,303	56,954
Prepayments and accrued income	1,684,048	1,313,896
VAT recoverable	254,404	145,884
	<u>2,047,671</u>	<u>1,545,324</u>

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other loans	15,609	-
Trade creditors	1,118,612	939,049
Other taxation and social security	340,274	256,800
Other creditors	479,980	393,780
Accruals and deferred income	1,145,633	488,414
	<u>3,100,108</u>	<u>2,078,043</u>
	2021 £	2020 £
Deferred income at 1 September 2020	349,024	260,291
Resources deferred during the year	343,464	349,024
Amounts released from previous periods	(349,024)	(260,291)
	<u>343,464</u>	<u>349,024</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Other loans	32,038	-
Included within the above are amounts falling due as follows:		
BETWEEN ONE AND TWO YEARS		
Other loans	5,609	-
BETWEEN TWO AND FIVE YEARS		
Other loans	16,828	-
OVER FIVE YEARS		
Other loans	9,601	-

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	651,684	835,498	(464,219)	(25,146)	-	997,817
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	1,018,986	18,044,125	(17,863,036)	(272,392)	-	927,683
Pupil Premium	-	893,535	(893,535)	-	-	-
UIFSM	-	269,271	(269,271)	-	-	-
High Needs funding	-	596,387	(596,387)	-	-	-
Donations	-	65,051	(65,051)	-	-	-
Other local authority	-	375,395	(375,395)	-	-	-
Start up grant	-	153,500	(153,500)	-	-	-
Other DfE/ESFA funding	-	521,770	(521,770)	-	-	-
PE sports grant	-	75,940	(75,940)	-	-	-
Educational visits	-	62,811	(62,811)	-	-	-
Teaching school grant	-	40,249	(40,249)	-	-	-
Rates relief	-	87,494	(87,494)	-	-	-
Teachers Pay and TPS Grant	-	874,259	(874,259)	-	-	-
Covid Catch Up Premium	-	257,600	(257,600)	-	-	-
Pension reserve	(8,267,000)	(1,350,000)	(1,229,000)	-	(3,733,000)	(14,579,000)
	<u>(7,248,014)</u>	<u>20,967,387</u>	<u>(23,365,298)</u>	<u>(272,392)</u>	<u>(3,733,000)</u>	<u>(13,651,317)</u>

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FIXED ASSET
FUNDS**

Private sector capital sponsorship	15,992,275	-	(517,383)	-	-	15,474,892
Fixed assets transferred on conversion	22,987,728	7,502,144	(968,334)	-	-	29,521,538
Fixed assets purchased from GAG and other restricted funds	46,634	-	(113,829)	2,965,366	-	2,898,171
Donated fixed assets fixed asset funded by donations	-	24,165,906	(518,200)	-	-	23,647,706
DfE/ESFA Capital grants	2,076,969	1,270,627	-	(2,667,828)	-	679,768
	<u>41,103,606</u>	<u>32,938,677</u>	<u>(2,117,746)</u>	<u>297,538</u>	<u>-</u>	<u>72,222,075</u>
TOTAL RESTRICTED FUNDS	33,855,592	53,906,064	(25,483,044)	25,146	(3,733,000)	58,570,758
TOTAL FUNDS	34,507,276	54,741,562	(25,947,263)	-	(3,733,000)	59,568,575

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

Restricted Funds

The General Annual Grant (GAG) represents funding received from the Education and Skills Funding Agency (ESFA) during the period in order to fund the continuing activities of the school.

Pupil premium funding represents amounts received from the ESFA for children who qualify for free school meals to enable the Trust to address the general current underlying inequalities between those children and their peers.

Universal Infant Free School Meals (UIFSM) is funding received from the ESFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

High Needs funding is received from the Local Authority to cater for pupils with learning difficulties and other disabilities.

Donations represent amounts received in the year for specific purposes.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

Other local authority funding is funding received from the local authority for a number of purposes including pupil premium and Early Years Single Funding Formula (EYSFF).

Start up grant funding is paid to certain academies to meet costs arising during the first few years of an Academy Trust which cannot be supported by other elements of the Academy Trust's GAG.

Other DfE/ESFA grants are grants received from the DfE/ESFA for specific purposes.

PE Sport grant is funding received from the ESFA to make additional and sustainable improvements to the quality of PE and sport on offer in primary academies.

Educational visits funding represents voluntary contributions received from parents towards the cost of school trips.

Teaching School funding comprises grants and other monies received for the purpose of running a Teaching School Alliance, which provides training for Teaching staff as well as School improvement work for the Trust and other schools. The funds carried forward will be used in the following academic year.

Rates relief is funding received from the ESFA to cover the cost of national non-domestic rates payable to the local authority.

Teachers pay and TPS grant is funding from the ESFA to provide support to schools with respect to teachers' pay awards and to cover the increased employer contributions to the Teachers' Pension Scheme (TPS).

Covid catch up Premium is funding from the ESFA to support children and young people to catch up on missed learning caused by Coronavirus (Covid-19).

Pension reserve represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Restricted Fixed Asset Funds

Private sector capital sponsorship represents the land and buildings of Bristol Cathedral Choir School.

Fixed assets transferred on conversion represents the land, building and equipment donated to the Trust when schools join.

Fixed assets purchased from GAG and other restricted funds represents Devolved Formula Capital, CIF income, GAG and other grants received from the ESFA spent on fixed assets.

Donated fixed assets and fixed assets funded by donations represents the donation to the Trust of the land and buildings at Trinity Academy, laptops donated to the Trust by the DfE and other fixed assets that have been purchased from donations, including from the Wolfson Foundation.

DfE/ESFA capital grants represents capital grants received from the ESFA that are unspent at the balance sheet date.

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (CONTINUED)

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General funds	663,038	449,041	(460,395)	-	-	651,684
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	707,769	15,876,579	(15,565,146)	(216)	-	1,018,986
Pupil Premium	-	819,284	(819,284)	-	-	-
UIFSM	-	221,998	(221,998)	-	-	-
High Needs funding	-	363,939	(363,939)	-	-	-
Donations	-	80,297	(80,297)	-	-	-
Other local authority	-	423,762	(423,762)	-	-	-
Start up grant	-	200,000	(200,000)	-	-	-
Other DfE/ESFA funding	-	1,168,668	(1,541,219)	372,551	-	-
PE sports grant	-	75,220	(75,220)	-	-	-
Project development grant	18,495	-	(18,495)	-	-	-
Educational visits	-	90,806	(90,806)	-	-	-
Year 7 catch up grant	-	35,540	(35,540)	-	-	-
Teaching school grant	-	46,450	(46,666)	216	-	-
Rates relief	-	87,261	(87,261)	-	-	-
Trust capacity fund	-	98,000	(98,000)	-	-	-
Pension reserve	(7,455,000)	-	(573,000)	-	(239,000)	(8,267,000)
	<u>(6,728,736)</u>	<u>19,587,804</u>	<u>(20,240,633)</u>	<u>372,551</u>	<u>(239,000)</u>	<u>(7,248,014)</u>

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (CONTINUED)

**RESTRICTED
FIXED ASSET
FUNDS**

Private sector capital sponsorship	15,189,050	1,170,646	(367,421)	-	-	15,992,275
Fixed assets transferred on conversion	23,392,098	-	(404,370)	-	-	22,987,728
Fixed assets purchased from GAG and other restricted funds	117,299	-	(70,665)	-	-	46,634
Donated fixed assets fixed asset funded by donations	1,667,907	1,229,534	(447,921)	(372,551)	-	2,076,969
	<u>40,366,354</u>	<u>2,400,180</u>	<u>(1,290,377)</u>	<u>(372,551)</u>	<u>-</u>	<u>41,103,606</u>
TOTAL RESTRICTED FUNDS	<u>33,637,618</u>	<u>21,987,984</u>	<u>(21,531,010)</u>	<u>-</u>	<u>(239,000)</u>	<u>33,855,592</u>
TOTAL FUNDS	<u><u>34,300,656</u></u>	<u><u>22,437,025</u></u>	<u><u>(21,991,405)</u></u>	<u><u>-</u></u>	<u><u>(239,000)</u></u>	<u><u>34,507,276</u></u>

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Bristol Cathedral Choir School	232,697	142,993
Cathedral Primary School	267,646	421,279
Headley Park Primary School	103,243	61,942
Victoria Park Primary School	396,887	432,451
St Katherine's School	326,195	245,877
Stoke Park Primary School	203,434	156,482
Trinity Academy	141,730	75,807
Hotwells Primary School	123,100	-
St Werburgh's Primary School	66,199	-
Central Services	64,369	133,839
Total before fixed asset funds and pension reserve	1,925,500	1,670,670
Restricted fixed asset fund	72,222,075	41,103,606
Pension reserve	(14,579,000)	(8,267,000)
TOTAL	59,568,575	34,507,276

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 £	Total 2020 £
Bristol Cathedral Choir School	4,453,269	441,098	159,655	1,517,656	6,571,678	5,826,981
Cathedral Primary School	1,393,573	146,518	29,309	498,628	2,068,028	1,820,798
Headley Park Primary School	1,616,332	258,955	42,624	259,720	2,177,631	2,229,752
Victoria Park Primary School	1,563,964	247,902	60,163	318,584	2,190,613	2,050,186
St Katherine's School	3,990,467	421,478	84,121	1,051,006	5,547,072	4,865,950
Stoke Park Primary School	874,590	129,067	16,625	319,494	1,339,776	1,508,089
Trinity Academy	1,117,818	114,980	71,613	284,067	1,588,478	891,187
Hotwells Primary School	124,247	21,336	1,587	31,553	178,723	-
St Werburgh's Primary School	118,029	22,221	4,568	59,811	204,629	-
Central services	585,313	697,520	707	679,349	1,962,889	1,508,085
TRUST	15,837,602	2,501,075	470,972	5,019,868	23,829,517	20,701,028

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	71,542,307	71,542,307
Current assets	997,817	4,059,829	679,768	5,737,414
Creditors due within one year	-	(3,100,108)	-	(3,100,108)
Creditors due in more than one year	-	(32,038)	-	(32,038)
Pension scheme liability	-	(14,579,000)	-	(14,579,000)
TOTAL	997,817	(13,651,317)	72,222,075	59,568,575

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	40,462,213	40,462,213
Current assets	908,484	2,840,229	641,393	4,390,106
Creditors due within one year	(256,800)	(1,821,243)	-	(2,078,043)
Pension scheme liability	-	(8,267,000)	-	(8,267,000)
TOTAL	651,684	(7,248,014)	41,103,606	34,507,276

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year (as per Statement of financial activities)	28,794,299	445,620
ADJUSTMENTS FOR:		
Depreciation	2,117,745	1,290,374
Interest receivable	(2,334)	(8,841)
(Increase)/decrease in debtors	(174,439)	580,103
Increase in creditors	831,215	56,091
Capital grants from DfE and other capital income	(1,270,627)	(1,200,843)
Defined benefit pension scheme cost less contributions payable	1,069,000	421,000
Defined benefit pension scheme finance cost	160,000	152,000
Net assets received on conversion and from transfer of schools into the Trust	(6,428,091)	-
Donated assets	(24,114,600)	(1,170,646)
NET CASH PROVIDED BY OPERATING ACTIVITIES	982,168	564,858

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £	2020 £
Cash transferred on conversion to the Trust	170,927	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	170,927	-

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	2,334	8,841
Purchase of tangible fixed assets	(1,581,095)	(826,805)
Capital grants from DfE Group	1,270,627	822,251
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(308,134)	4,287

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	3,689,743	2,844,782
TOTAL CASH AND CASH EQUIVALENTS	3,689,743	2,844,782

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	On conversion £	At 31 August 2021 £
Cash at bank and in hand	2,844,782	674,034	170,927	3,689,743
Debt due within 1 year	-	61,417	(77,026)	(15,609)
Debt due after 1 year	-	611	(32,649)	(32,038)
	2,844,782	736,062	61,252	3,642,096

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. CONVERSION TO AN ACADEMY TRUST

On 1 August 2021 St Werburgh's Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cathedral Schools Trust from Bristol City 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				
Freehold land and buildings	-	-	5,080,850	5,080,850
CURRENT ASSETS				
Cash - representing budget surplus on LA funds	110,548	-	-	110,548
NON-CURRENT LIABILITIES				
LGPS pension deficit	-	(500,000)	-	(500,000)
NET ASSETS/(LIABILITIES)	110,548	(500,000)	5,080,850	4,691,398

The above net assets include £139,729 that was transferred as cash post year-end and is within accrued income as at 31 August 2021.

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST

Hotwells Primary School

	Value reported by transferring trust £	Transfer in recognised £
TANGIBLE FIXED ASSETS		
Long-term leasehold land and buildings	2,188,241	2,188,241
Property improvements	202,314	202,314
Furniture and fittings	11,764	11,764
Plant and machinery	739	739
Computer equipment	18,236	18,236
CURRENT ASSETS		
Debtors due within one year	188,179	188,179
Cash at bank and in hand	170,927	170,927
LIABILITIES		
Creditors due within one year	(161,057)	(161,057)
Creditors due after one year	(32,650)	(32,650)
PENSIONS		
Pensions - pension scheme assets	576,000	576,000
Pension scheme liabilities	(1,426,000)	(1,426,000)
NET ASSETS	<u>1,736,693</u>	<u>1,736,693</u>

27. CAPITAL COMMITMENTS

At 31 August 2021 the Trust had capital commitments as follows:

	2021 £	2020 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>190,000</u>	<u>227,251</u>

28. 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 NextStep. 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 2019.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

28. PENSION COMMITMENTS (CONTINUED)

Contributions amounting to £368,879 were payable to the schemes at 31 August 2021 (2020 - £283,360) 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
- 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 £2,115,282 (2020 - £1,402,034).

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.

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

28. 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 2021 was £899,000 (2020 - £1,273,000), of which employer's contributions totalled £657,000 (2020 - £1,063,000) and employees' contributions totalled £242,000 (2020 - £210,000). The agreed contribution rates for future years are 14.9 - 20.0 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in note 25 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

	2021	2020
	%	%
Discount rate for scheme liabilities	1.75	1.70
Rate of increase in salaries	3.95	3.15
Rate of increase for pensions in payment / inflation	2.95	2.15
Inflation assumption (CPI)	2.95	2.15

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

	2021	2020
	Years	Years
Retiring today		
Males	22.5	22.4
Females	24.6	24.6
Retiring in 20 years		
Males	23.4	23.3
Females	26.1	26.0

SENSITIVITY ANALYSIS

	2021	2020
	£000	£000
Discount rate +0.1%	714	(437)
Mortality assumption - 1 year increase	(854)	494
CPI rate +0.1%	(660)	394

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

28. PENSION COMMITMENTS (CONTINUED)

SHARE OF SCHEME ASSETS

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

	2021 £	2020 £
Equities	4,738,000	3,731,000
Gilts	-	608,000
Bonds	1,975,000	228,000
Property	699,000	743,000
Cash and other liquid assets	200,000	253,000
Other	3,485,000	2,506,000
TOTAL MARKET VALUE OF ASSETS	11,097,000	8,069,000

The actual return on scheme assets was £1,061,000 (2020 - £1,188,000).

The amounts recognised in the Statement of financial activities are as follows:

	2021 £	2020 £
Current service cost	(1,785,000)	(1,445,000)
Past service cost	-	(39,000)
Interest income	124,000	-
Interest cost	(284,000)	(132,000)
Administrative expenses	(23,000)	(20,000)
Actual return on scheme assets	(1,968,000)	(1,636,000)

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

	2021 £	2020 £
Opening defined benefit obligation	16,336,000	13,174,000
Transferred in on conversion	1,066,000	-
Transferred in on existing academies joining the trust	1,426,000	-
Current service cost	1,785,000	1,445,000
Interest cost	284,000	252,000
Employee contributions	239,000	210,000
Actuarial (gains) / losses	4,647,000	1,307,000
Benefits paid	(107,000)	(90,000)
Past service cost	-	38,000
Closing defined benefit obligation	25,676,000	16,336,000

**CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

28. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
Opening fair value of scheme assets	8,069,000	5,719,000
Transferred in on conversion	566,000	-
Transferred in on existing academies joining the trust	576,000	-
Interest income	147,000	120,000
Actuarial losses	914,000	1,068,000
Employer contributions	716,000	1,063,000
Employee contributions	239,000	210,000
Benefits paid	(107,000)	(90,000)
Administrative expenses	(23,000)	(21,000)
Closing fair value of scheme assets	11,097,000	8,069,000

29. OPERATING LEASE COMMITMENTS

Land and buildings leased from Bristol Cathedral are accounted for as an operating lease with a 75 year lease from 1 September 2008. As at 31 August 2021, there will be 62 years remaining on the lease at an annual cost of £250,020 (reviewed annually in line with CPI).

The library is leased from Bristol City Council and accounted for as an operating lease with a 125 year lease from 13 November 2015. The annual cost of this is £81,750.

At 31 August 2021 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	34,997	30,790
Later than 1 year and not later than 5 years	99,356	16,747
	134,353	47,537

30. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

31. 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 following related party transactions took place:

Bristol Cathedral

The Trust leases buildings from Bristol Cathedral and is also charged by the Cathedral for gas supplied to the buildings. Total purchases from Bristol Cathedral during the year amounted to £268,539 (2020: £280,727). The rent is subject to an annual increase in line with CPI. The balance owed at the year end to Bristol Cathedral was £75,729 (2020: £180).

Garage Gospel and UK Churches

During the year, Garage Gospels (UK Churches) invoiced the Trust a net amount of £Nil (2020: £1,170) for the provision of rehearsals for the Trust's Gospel Choir. Ms M Ipinson-Fleming, a Trustee, is a co-owner for both Garage Gospel and UK Churches. The transactions were at arm's length.

Bristol Zoo

During the year, schools within the Trust made purchases from Bristol Zoo for routine school trip visits. Total purchases during the year were £Nil (2020: £1,105), no balance was due at year end (2020: £Nil). Mr M Lea, a Trustee, is also a director of Bristol Zoo.

Bristol Old Vic

During the year schools within the Trust made purchases from Bristol Old Vic for routine school trip visits. Total purchases during the year were £1,456 (2020: £1,823), no balance was due at year end (2020: £Nil). Mr M Lea, a Trustee, is also a director of Bristol Old Vic.

32. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021 the Trust received £34,387 (2020: £31,037) and disbursed £30,011 (2020: £29,907) from the fund. An amount of £11,034 (2020: £6,658) is included in other creditors relating to the undistributed funds that is repayable to the ESFA.

CATHEDRAL SCHOOLS TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

33. TEACHING SCHOOL TRADING ACCOUNT

	2021 £	2021 £	2020 £	2020 £
Income				
DIRECT INCOME				
Grants	40,000		46,450	
NLE bursary	249		-	
TOTAL DIRECT INCOME	40,249		46,450	
TOTAL INCOME		40,249		46,450
Expenditure				
DIRECT EXPENDITURE				
Direct staff costs	40,249		43,477	
Other costs	-		222	
TOTAL DIRECT EXPENDITURE	40,249		43,699	
OTHER EXPENDITURE				
Support costs	-		2,967	
TOTAL EXPENDITURE		40,249		46,666
Transfers between funds excluding depreciation		-		216
Surplus from all sources		-		-
Teaching school balances at 1 September 2020		-		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2021		-		-