

Company Registration No. 10236797 (England and Wales)

**XAVIER CATHOLIC EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019**

XAVIER CATHOLIC EDUCATION TRUST

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XAVIER CATHOLIC EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Bishop of Arundel and Brighton The Right Reverend Charles Philip Richard Moth
Arundel & Brighton Roman Catholic Diocesan Corporation
- Chair of Diocesan Academies Strategic Board Carole Ann Simonne Roycroft

Directors

Rev P M Andrews
Mrs S A Clark (Appointed 4 February 2019)
Ms M P B Dineen
Mr M J F Gliniecki
Mr M P Harrington
Mr P J O'Brien (Chair)
Mr J B Wells

Key management personnel

- CEO Ani Magill
- Chief Financial Officer Nicola Kenworthy
- Headteacher - St Alban's Martin Brannigan
- Headteacher - St Hugh of Lincoln Michael George
- Headteacher - St John the Baptist James Granville Hamshar
- Headteacher - St Charles Borromeo Stephen Holt
- Headteacher - Cardinal Newman Catherine Burnham
- Headteacher - Salesian School James Kibble
- Headteacher - St Cuthbert Mayne Natalie Macarthy
- Headteacher - St Anne's Leanne Harris
- Headteacher - St Augustine's Alison Walsh
- Headteacher - The Marist Kate Licence
- Headteacher - The Holy Family Steve Tindall

Clerk to Governors

Anne Robinson

Company registration number

10236797 (England and Wales)

Principal and registered office

Salesian School
Guildford Road
Chertsey
Surrey
KT16 9LU

XAVIER CATHOLIC EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

	Location
St Augustine's Catholic Primary School	Frimley
St Alban's Catholic Primary School	East Molesey
St Anne's Catholic Primary School	Chertsey
St Charles Borromeo Catholic primary and Nursery	Weybridge
Cardinal Newman Catholic Primary School	Hersham
The Holy Family Catholic Primary School	Addlestone
St Hugh of Lincoln Primary School	Woking
Salesian School	Chertsey
St John the Baptist School	Woking
The Marist Catholic Primary School	West Byfleet
St Cuthbert Mayne Catholic Primary School	Cranleigh
Central	

Principal

Alison Walsh
Martin Brannigan
Leanne Harris
Stephen Holt
Catherine Burnham
Steve Tindall
Michael George
James Kibble
James Granville Hamshar
Kate Licence
Natalie Macarthy

Independent auditor

Moore (South) LLP
Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey
GU1 3RX

Bankers

Lloyds Bank Plc
32 Commercial Way
Woking
Surrey
GU21 6ER

Solicitors

Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The directors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the period the Trust operated nine primary schools and two secondary schools serving the Woking and Weybridge deaneries in the Catholic Diocese of Arundel and Brighton.

The schools are:

- Cardinal Newman Catholic Primary School
- Holy Family Catholic Primary School
- St Alban's Catholic Primary School
- St Anne's Catholic Primary School
- St Augustine's Catholic Primary School
- St Cuthbert Mayne Primary School
- St Charles Borromeo Catholic Primary School
- St Hugh of Lincoln Catholic Primary School
- St John the Baptist School
- Salesian School
- The Marist Catholic Primary School

These schools have a combined pupil capacity of 5,258 and had a roll of 5,931 in the school census on October 2019.

On 1st September 2019, St Polycarp's Catholic Primary School and St Thomas of Canterbury Catholic Primary School were accepted as Academies within the Trust. On 1st October 2019 St Peter's Catholic School was accepted as an Academy within the Trust.

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 directors are the trustees of Xavier Catholic Education Trust and are also the directors of the charitable company for the purposes of company law. Details of the directors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Directors benefit from indemnity insurance (Risk Protection Arrangement) purchased at the Academy Trust's expense to cover the liability of the Directors 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 Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors 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 Directors in their capacity as Directors of the Trust. The limit of the indemnity is £5,000,000 and is explained in the 'Governors Liability' section of the RPA.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Method of recruitment and appointment or election of directors

The Directors are appointed under the terms of the Company's Articles of Association point 45. There must be at least three Directors, but there is no maximum.

All Directors must, upon appointment or election, sign a written undertaking to the Directors and the Diocesan Bishop to uphold the Objects of the Academy Trust and to adhere to the principles set out in the diocesan Memorandum of Understanding.

The term of office for any Director shall be four years except that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a Director, any Director may be reappointed or re-elected.

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

Policies and procedures adopted for the induction and training of directors

The training and induction provided for new Directors will depend on their existing experience. All Directors have access to copies of policies, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as Directors

Organisational structure

The Board of Directors is ultimately responsible to the Members for the performance of the Trust and its academies.

The Board of Directors is responsible for The Xavier Catholic Education Trust. Where appropriate, duties are delegated to an Academy Committee.

The Board of Directors has delegated the day to day responsibility for the financial operations and controls to the Chief Executive Officer. Delegation of financial responsibility is set out within the Company's Finance Policy and more specifically in the Scheme of Delegation.

The Board of Directors has delegated governance monitoring to the Local Governing Committees in each school. Leadership and Management of each school within the Multi Academy Trust is delegated by Directors to the Senior Leadership Team of each school.

The Board of Directors maintains overall control for:

- The activities and performance of the Trust
- The appointment of Directors and Academy Representatives
- Headteacher and Deputy Headteacher appointments
- The approval of Annual Financial Statements and Budgets
- Ratifying policies and procedures implemented within the Company

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

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

The Human Resource Committee has the responsibility to establish a pay policy which sets out clearly the basis on which decisions about pay progression for the Headteachers, senior employees and leaders in the Trust will be determined, including:

- Considering and determining the annual pay and other terms and conditions of the senior employees and leaders in the Trust, taking account of budgetary implications;
- Establishing procedures for determining appeals against pay determinations;
- Keeping the pay policy under regular review;
- Dealing with any other matters referred to the Committee by the Board of Directors relating to the remuneration and terms and conditions of the Headteachers, senior employees and leaders.

The Executive Remuneration Committee has the responsibility of establishing the pay of the central management team.

The CEO, along with the Local Governing Pay Committee, has the responsibility of establishing the pay of the Head Teachers.

Where possible, the Trust/school establishes relevant salary benchmarks as follows;

- Remuneration is set at appropriate levels taken from the school leadership scales, taking into account performance review
- Recommendations of the School Teachers' Pay & Conditions Document (STPCD)
- Recommendations of relevant support staff pay bodies
- Pay awards in similar organisations

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period

Full-time equivalent employee number

-

-

Percentage of time spent on facility time

Percentage of time

Number of employees

0%

-

1%-50%

-

51%-99%

-

100%

-

Percentage of pay bill spent on facility time

Total cost of facility time

-

Total pay bill

-

Percentage of the total pay bill spent on facility time

-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

-

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Related parties and other connected charities and organisations

The Trust comes under the jurisdiction of the Diocese of Arundel & Brighton.

As part of Surrey Teaching Schools Network we have been instrumental in the development of Surrey Schools Learning Partnership: a collaboration with the Surrey Phase Councils and Surrey County Council to develop and deliver a sustained approach to support outstanding teaching, learning and leadership in schools.

Salesians' National Teaching School has a school to school support arrangement with the Bourne Education Trust, providing training support for groups of teaching staff across the Trust.

Objectives and activities

Objects and aims

Our mission is to provide an outstanding Catholic education for all the children in our schools. We will follow the example and teachings of Christ and everything we do will be inspired by gospel values. We will strive for excellence in all areas of our work and cherish every child in our care.

The aim of the Trust is to provide the children in our care with the best possible education within a caring and supportive Catholic ethos. The Trust has at the centre of its mission and purpose the belief that every child has a right to educational excellence through the provision of high quality teaching.

We will support the spiritual, moral, social, cultural and physical development of each child, as well as maximising progress, achievement and attainment to ensure their intellectual growth and fulfilment of their potential.

We work together to train, develop and retain teachers, support staff and leaders.

To work together closely and support each other to strengthen our Catholic schools and to achieve economies of scale by being part of a larger buying group.

Objectives, strategies and activities

1. Every child will receive an excellent education

- Ensure all children receive a broad and balanced curriculum.
- Ensure every child has the opportunity to go on educational trips.
- Ensure all schools have aspirational targets.
- Provide support for mental health and wellbeing of each child, and member of staff.
- Ensure all schools, when inspected, are at least good.
- Secondary schools to be top performing MAT nationally. To deliver progress scores in top 5% in Surrey and top 10% nationally
- Primary schools to all have positive value added in every category.

2. Recruit, develop and retain best people

- Start development of a Primary SCITT.
- Increase numbers in Secondary SCITT.
- Ensure all staff have an annual appraisal.
- Conduct exit interviews with all leavers to understand reasons for leaving.
- Outsource a training programme for Governors.
- Provide an annual training programme to include all staff.
- Develop a coaching culture across the Trust.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3. Provide exceptional central services

- Provide all schools with up to date policies.
- Survey schools regarding quality of central services and act on feedback.
- Appoint an IT lead for the Trust and develop a strategy across all our schools.

4. Our Catholicity is at the core of everything we do

- Support schools in difficulty whenever possible.
- Maintain strong links with parishes and community
- Provide outstanding pastoral care to all students.
- Provide training opportunities that support the Catholic life of the school.
- Increase the number of Catholics going to the SCITT.
- Share RE resources between schools.

5. Financially robust and provide value for money

- Have a 5 year maintenance programme to upgrade all our schools.
- All schools to have budget matched to their development plan
- Provide benchmarking data for all our schools.
- Continue to develop preferred suppliers list
- Address all points in audit management letter.
- Bid for all appropriate funding opportunities .

6. Maintain current levels of service whilst expanding

- Have a sustainable growth strategy.
- Continue development of a comprehensive Due Diligence programme for all schools wishing to join Xavier Catholic Education Trust.
- Review the Partnership Contribution with heads and chairs to match with strategic plans
- Review the structure of the central team.

Public benefit

The Directors confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers and duties. They have referred to this guidance when reviewing the Company's aims and objectives and in planning its future activities.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

Top Achievements

1. Successful growth of 3 schools
2. Positive feedback from all schools and Ofsted inspections regarding the support received from Xavier Catholic Education Trust.
3. Teach SouthEast very successful and recruited 76 trainees.
4. Support given to other MATs and schools in difficulty through the work of the two teaching schools and 2 NLEs.
5. Successful work of Maths Hub working with over 600 schools.
6. Secondary schools rated 1st and 3rd in Surrey for progress.
7. Further centralisation of services to improve quality and save schools money.

Key performance indicators

Secondary Schools

A Levels

Salesian School

66% of students achieved A*, A or B grades and 91% achieved A* to C grades, with an overall pass rate of 99.7%.

St John the Baptist (SJB) School

72% of students achieved A*, A or B grades and 92% achieved A* to C grades, with an overall pass rate of 99.5%.

GCSEs

The percentage of Salesian students who achieved grades 4-9 was 90%, 5-9 was 72%, 7-9 was 40%.

The percentage of SJB students who achieved grades 4-9 was 93%, 5-9 was 80%, 7-9 was 47%.

The progress 8 score for Salesian was 0.91% and for SJB was 1.04% (measuring overachievement per child per subject).

In the Surrey league tables for secondary schools, St John the Baptist School was ranked 1st and Salesian School was ranked 3rd.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Primary School Progress Ranking data

	Reading percentile	Writing percentile	Maths percentile	Surrey League tables for Primary schools (212 schools)
St Alban's	6	18	13	6th
St Anne's	25	46	22	124th
St Augustine's	25	33	25	24th
Cardinal Newman	46	26	26	47th
Holy Family	30	13	6	15th
St Charles	31	69	22	10th
St Hugh	39	77	66	31st
St Cuthbert Mayne	32	50	46	34th
The Marist	24	17	28	49th

During the year the following schools had Section 8 Ofsted inspections and all were graded as Good schools;

Cardinal Newman Catholic Primary School
Holy Family Catholic Primary School
St Alban's Catholic Primary School
St Anne's Catholic Primary School
St Hugh of Lincoln Catholic Primary School

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Directors believe that the likelihood of the pension deficit in the accounts crystalizing is remote, and without this deficit the Trust is solvent. For this reason, the Directors believe that the Trust can 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 Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purpose. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2019, total expenditure of £34,877,908 (2018: £33,757,143) was met by recurrent grant funding from the ESFA together with other incoming resources and utilisation of brought forward reserves.

The Trust received £1,175,611 in capital funding (School Condition Allocation) from the ESFA on a formula basis (2018: £1,228,317).

The Trust incurred a deficit of £539,229 (2018 – £525,596) for the year (excluding Restricted Fixed Asset Funds) and before the transfer of £81,786 (2018 - £265,952) to the Restricted Fixed Asset Fund, giving a total deficit of £621,015 (2018 - £791,548).

As at 31 August 2019, the Trust had total deficit funds of £3,436,852 (2018: surplus £51,365). This was comprised of £2,260,920 (2018 - £2,041,011) of Restricted general funds, excluding the pension deficit fund of £10,302,000 (2018: £6,195,000), Restricted Fixed Asset fund £1,766,527 (2018: £1,926,729) and £2,847,701 (2018: £2,413,723) of unrestricted general funds.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Reserves are held for reinvestment in individual schools, for specific capital projects, curriculum investment and to mitigate the impact of reductions to funding.

As at 31 August 2019, unrestricted funds amounted to £2,847,701 (2018: £2,413,723). It is anticipated that much of this balance will be utilized over the course of the next 3 academic years.

Investment policy

Xavier Catholic Education Trust does not have any material investments.

The Trust's Investment Policy enables Directors to invest to further the trust's charitable aims, whilst ensuring that investment risk is properly managed. The policy ensures that the security of funds takes precedence over revenue maximisation.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed.

The principal risks facing the Trust are considered to be:

- MAT Growth - Rate of expansion is too great or too slow to ensure sustainability
Controlled by continuous review of schools that could possibly join the Trust next. Liaison with Diocese to jointly manage priority for schools joining. Trust Board, CEO and CFO produce 3 year plans of minimum and maximum number of schools joining, with aligned finances and central function models.
- The financial impact of future changes to funding levels from the DfE/ESFA
Managed through the CFO producing 3 year financial models which incorporate impacts of key funding uncertainties. Review and monitoring is undertaken by the CEO and Trust Finance Committee.
- Teacher recruitment and retention
Managed through rigorous selection and appointment procedures combined with reviews of appropriate succession planning. Overseen by the CEO and Trust HR Committee with monitoring by Headteachers and Local Governing Committees.
- Condition of property in some schools
All schools in the Trust have a comprehensive condition survey conducted resulting in a prioritised plan of condition work which is managed by the Trust Estates team as a 3 year rolling plan. Monitored by CEO and Trust Risk and Audit Committee.

The principal Risk Management objective of the Academy Trust is to minimize all identified risks as outlined in the risk register by frequent review and remedial actions where required.

Review of the Risk Register falls within the terms of reference of the Risk & Audit Committee. The Trust has also adopted a board assurance framework approach which identifies gaps the Trust faces in achieving its strategic aims.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

Academies within the Trust enter into fundraising activities to support local charities and enhance their income.

They do this in one or more of the following ways;

- Fundraising on behalf of the school through Parent Teacher Associations holding various events
- Students and staff engaging in fundraising for external charities
- Donations from parents

The trust aims to meet the fundraising code of practice which is that any fundraising will be legal, open, honest and respectful. The trust will ensure protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate and ensure that all funds for a particular cause must be used for that particular cause.

The Trust does not work with any third party commercial participators or professional fundraisers to raise funds. There have been no fundraising complaints during 2018/19.

Plans for future periods

The key priorities of the Trust in 2019/20 are to:

- Ensure that we maintain current services whilst expanding by 3 schools.
- Ensure that all primary schools review their curriculum and have an assessment system in place for all foundation subjects.
- Ensure all schools have taken robust action following the Teaching & Learning review.
- Have a Trust-wide IT strategy and centralise network management where-ever possible.
- Further centralise the business managers.
- Ensure all schools come in the top 50% rankings for progress.
- Ensure all schools are striving for excellence and know that good isn't good enough.
- Provide outstanding central services for a very small partnership contribution (3.5% primary, 2.5% secondary).
- Continue to improve/enhance condition of school premises.
- Develop options for further capacity/resource for central team.
- Seek out and develop opportunities for income growth across all schools.
- Further free up capacity for member schools by removing tasks which can be developed and delivered centrally.
- Deliver outstanding pastoral care in all our schools and ensure that our schools are good or outstanding in the provisions of Section 48 of The Education Act 2005.
- Submit bids for all funds possible.

Funds held as custodian trustee on behalf of others

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

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Employee consultation and disabled employees

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings, and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organization and has adopted a procedure of upward feedback for senior management and the Directors.

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

- Equal Opportunities policy
- Volunteers' policy
- Health & Safety policy

In accordance with the Trust's Equal Opportunities policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

Auditor

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors 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.

A resolution proposing that Moore (South) LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 12 December 2019 and signed on its behalf by:



Mr P J O'Brien
Chair

XAVIER CATHOLIC EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As directors we acknowledge we have overall responsibility for ensuring that Xavier Catholic Education 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 directors has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Xavier Catholic Education Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Directors' responsibilities. The Board of Directors has formally met 7 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Rev P M Andrews	6	7
Mrs S A Clark (Appointed 4 February 2019)	4	4
Ms M P B Dineen	5	7
Mr M J F Gliniecki	6	7
Mr M P Harrington	7	7
Mr P J O'Brien (Chair)	7	7
Mr J B Wells	5	7

Also in attendance were Ani Magill, the Trust's Chief Executive Officer and Nicola Kenworthy, the Trust's Chief Financial Officer.

During the past year a new Director with commercial experience in Communications was recruited.

The Board constantly ensures that through regular reviews and self-assessment, its coverage focuses on managing the strategic direction of the Trust with emphasis on maintaining performance, value for money, the performance of Local Governing Committees and managing growth.

The Board regularly reviews its structure and the strategic plan. It also has an annual review to assess performance, the data received to ensure it remains appropriate and meaningful, and how to stay best informed about the challenges that may be faced.

Finance Committee

To consider and advise the Board on all aspects of the Trust's finances, financial policies, controls and strategy and to ensure sound management of the Company's finances and resources, proper planning, monitoring, probity and value for money.

XAVIER CATHOLIC EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Mrs S A Clark (Appointed 4 February 2019)	2	3
Ms M P B Dineen	3	5
Mr M J F Gliniecki	5	5
Mr P J O'Brien (Chair)	5	5
Mr J B Wells	5	5

Also in attendance was Ani Magill, the Trust's Chief Executive Officer and Nicola Kenworthy, the Trust's Chief Financial Officer.

Risk and Audit Committee

To maintain an oversight of the Trust's governance, risk management, and internal control framework, and report its findings to the Board of Directors as a critical element of the Company's annual reporting requirements.

Any major issues or risks identified from the work of the Committee together with recommended solutions, will be referred to the Board of Directors for ratification and inclusion within the Trust's Risk Management register

Attendance at meetings in the period was as follows:

Directors	Meetings attended	Out of possible
Rev P M Andrews	1	5
Ms M P B Dineen	5	5
Mr M J F Gliniecki	5	5
Mr P J O'Brien (Chair)	5	5
Mr J B Wells	1	4

Also in attendance was Ani Magill, the Trust's Chief Executive Officer and Nicola Kenworthy, the Trust's Chief Financial Officer.

Mr J B Wells resigned from the committee on 23 May 2019.

Human Resources Committee

To consider and advise the Board on all aspects of strategy for management and development of our people and on all aspects of HR provision and Employment Law.

Attendance at meetings in the period was a follows:

Directors	Meetings attended	Out of possible
Ms M P Dineen	2	3
Mr M P Harrington (Chair)	2	3
Mr P J O'Brien	3	3

Also in attendance was Ani Magill, the Trust's Chief Executive Officer, Nicola Kenworthy, the Trust's Chief Financial Officer and Nikki Shephard, the Trust's HR Manager.

XAVIER CATHOLIC EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Executive Remuneration Committee

Directors	Meetings attended	Out of possible
Mr M P Harrington	1	1
Mr P J O'Brien	1	1
Mr M J F Gliniecki	1	1
Mr J B Wells	1	1

Also in attendance was Ani Magill, the Trust's Chief Executive Officer.

Review of value for money

As accounting officer the 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 Chief Executive considers how the Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Directors where value for money can be improved. Benchmarking data is utilised where available. The Chief Executive for the Trust has delivered improved value for money during the year as follows:

Centralised:

- Estates management
- Training and Best Practice forums
- Supplier Contracts, developed or in course of development for schools e.g. Broadband, General building maintenance, Fire alarm maintenance, Grounds Maintenance
- Policy Development
- Network Management
- HR Support
- SEN Support
- Pedagogy support

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Xavier Catholic Education Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of directors 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 directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of directors.

XAVIER CATHOLIC EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 directors;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Wise and Co were in place during the year ended 31 August internal audit function and has decided to appoint Moore (South) LLP as internal auditor from 1 September 2019.

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

- Testing of purchases and payment processes
- Management reporting
- Testing bank and control account reconciliations
- Testing income
- Testing payroll processes

The internal auditor reports to the Board of Directors through the Risk & Audit Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Directors.

Review of effectiveness

As accounting officer the 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.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the risk and audit committee and ensure continuous improvement of the system is in place.

Approved by order of the board of directors on 12 December 2019 and signed on its behalf by:



Mr P J O'Brien
Chair

XAVIER CATHOLIC EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Xavier Catholic Education Trust I have considered my responsibility to notify the academy trust board of directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2018.

I confirm that I and the academy trust's board of directors 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 2018.

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



Ani Magill

Accounting Officer

12 December 2019

XAVIER CATHOLIC EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The directors (who also act as trustees for Xavier Catholic Education Trust) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under company law, the directors must not approve the accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that in its conduct and operation the 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of directors on 12 December 2019 and signed on its behalf by:



Mr P J O'Brien
Chair

XAVIER CATHOLIC EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XAVIER CATHOLIC EDUCATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Xavier Catholic Education Trust for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and directors' report) the governance statement and the statement of regularity, propriety and compliance. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

XAVIER CATHOLIC EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XAVIER CATHOLIC EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (which includes the strategic report and directors' report) for the financial year for which the accounts are prepared is consistent with the accounts; and
- the strategic report and the directors' report, included within the trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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 directors

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

In preparing the accounts, the directors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the academy trust, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

XAVIER CATHOLIC EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XAVIER CATHOLIC EDUCATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



**Danielle Griffin (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP**

19 December 2019

**Chartered Accountants
Statutory Auditor**

Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey
GU1 3RX

XAVIER CATHOLIC EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated [ENTER IN STATUTORY DATABASE] and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Xavier Catholic Education Trust during the period 1 September 2018 to 31 August 2019 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 Xavier Catholic Education Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Xavier Catholic Education 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 Xavier Catholic Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Xavier Catholic Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Xavier Catholic Education Trust's funding agreement with the Secretary of State for Education dated 30 August 2016 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- assessment of the system of internal control, policies and procedures;
- tests of compliance with specific laws, regulations and agreements;
- examination of expenditure for regularity and propriety; and
- consideration of work and reports by the Responsible Officer and Xavier Catholic Education Trust

XAVIER CATHOLIC EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore (South) LLP

Reporting Accountant

Moore (South) LLP

Dated: 19 December 2019

XAVIER CATHOLIC EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	1,220,761	437,407	1,784,348	3,442,516	4,197,309
Donations - transfer from local authority on conversion	29	-	-	-	-	79,346
Charitable activities:						
- Funding for educational operations	4	-	27,511,732	-	27,511,732	25,033,461
- Funding for teaching schools	28	-	947,999	-	947,999	975,470
Other trading activities	5	2,141,876	43,968	-	2,185,844	3,113,872
Investments	6	7,678	922	-	8,600	2,847
Total		3,370,315	28,942,028	1,784,348	34,096,691	33,402,305
Expenditure on:						
Charitable activities:						
- Educational operations	9	2,968,862	28,985,047	2,026,336	33,980,245	32,875,305
- Teaching Schools	28	-	856,709	-	856,709	881,838
Charitable expenditure - transfer from local authority on conversion	29	(32,525)	73,479	-	40,954	-
Total		2,936,337	29,915,235	2,026,336	34,877,908	33,757,143
Net income/(expenditure)		433,978	(973,207)	(241,988)	(781,217)	(354,838)
Transfers between funds	20	-	(81,786)	81,786	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(2,697,000)	-	(2,697,000)	1,363,000
Net movement in funds		433,978	(3,751,993)	(160,202)	(3,478,217)	1,008,162
Reconciliation of funds						
Total funds brought forward		2,413,723	(4,289,087)	1,926,729	51,365	(956,797)
Total funds carried forward		2,847,701	(8,041,080)	1,766,527	(3,426,852)	51,365

XAVIER CATHOLIC EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	-	265,057	3,932,252	4,197,309
Donations - transfer from local authority on conversion	29	154,346	(367,000)	292,000	79,346
Charitable activities:					
- Funding for educational operations	4	-	25,033,461	-	25,033,461
- Funding for teaching schools	28	-	975,470	-	975,470
Other trading activities	5	1,934,848	1,179,024	-	3,113,872
Investments	6	2,847	-	-	2,847
Total		<u>2,092,041</u>	<u>27,086,012</u>	<u>4,224,252</u>	<u>33,402,305</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	2,329,308	26,492,503	4,053,494	32,875,305
- Teaching Schools	28	-	881,838	-	881,838
Total		<u>2,329,308</u>	<u>27,374,341</u>	<u>4,053,494</u>	<u>33,757,143</u>
Net income/(expenditure)		(237,267)	(288,329)	170,758	(354,838)
Transfers between funds	20	-	(265,952)	265,952	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	22	-	1,363,000	-	1,363,000
Net movement in funds		(237,267)	808,719	436,710	1,008,162
Reconciliation of funds					
Total funds brought forward		2,650,990	(5,097,806)	1,490,019	(956,797)
Total funds carried forward		<u>2,413,723</u>	<u>(4,289,087)</u>	<u>1,926,729</u>	<u>51,365</u>

XAVIER CATHOLIC EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	14		751,122		778,941
Current assets					
Stocks	15	9,788		14,369	
Debtors	16	1,138,669		1,183,670	
Cash at bank and in hand		8,534,416		7,946,482	
		9,682,873		9,144,521	
Current liabilities					
Creditors: amounts falling due within one year	17	(3,378,847)		(3,467,097)	
Net current assets			6,304,026		5,677,424
Total assets less current liabilities			7,055,148		6,456,365
Creditors: amounts falling due after more than one year	18		(180,000)		(210,000)
Net assets before defined benefit pension scheme liability			6,875,148		6,246,365
Defined benefit pension scheme liability	22		(10,302,000)		(6,195,000)
Total net (liabilities)/assets			(3,426,852)		51,365
Funds of the academy trust:					
Restricted funds	20				
- Fixed asset funds			1,766,527		1,926,729
- Restricted income funds			2,260,920		1,905,913
- Pension reserve			(10,302,000)		(6,195,000)
Total restricted funds			(6,274,553)		(2,362,358)
Unrestricted income funds	20		2,847,701		2,413,723
Total funds			(3,426,852)		51,365

The accounts on pages 24 to 54 were approved by the directors and authorised for issue on 12 December 2019 and are signed on their behalf by:


Mr P J O'Brien
Chair

Company Number 10236797

XAVIER CATHOLIC EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash used in operating activities	23	(1,147,226)		(2,212,893)	
Cash funds transferred on conversion		32,525		154,346	
		<u>(1,114,701)</u>		<u>(2,058,547)</u>	
Cash flows from investing activities					
Dividends, interest and rents from investments		8,600		2,847	
Capital grants from DfE Group		1,638,860		1,341,858	
Capital funding received from sponsors and others		110,665		2,575,611	
Purchase of tangible fixed assets		(25,490)		(29,565)	
		<u>1,732,635</u>		<u>3,890,751</u>	
Net cash provided by investing activities					
Cash flows from financing activities					
Repayment of other loan		(30,000)		(30,000)	
		<u>(30,000)</u>		<u>(30,000)</u>	
Net cash used in financing activities					
Net increase in cash and cash equivalents in the reporting period					
		587,934		1,802,204	
Cash and cash equivalents at beginning of the year		7,946,482		6,144,278	
		<u>8,534,416</u>		<u>7,946,482</u>	
Cash and cash equivalents at end of the year					
		<u>8,534,416</u>		<u>7,946,482</u>	

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Xavier Catholic Education Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from St Cuthbert Mayne Catholic Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

1.4 Income

All incoming resources are recognised when the academy 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

1.6 Tangible fixed assets and depreciation

All individual assets costing more than £5,000 and any capital projects with a total value of more than £25,000 are capitalised. Capitalised assets 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 that require 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.

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

Freehold property	Not depreciated
Leasehold property	Over the term of the lease
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

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.

1.7 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Costs include all direct costs and an appropriate proportion of fixed and variable overheads. Provision is made for obsolete and slow moving stock.

1.11 Taxation

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

1.12 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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

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

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 academy trust at the discretion of the directors.

Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

1.14 Agency arrangements

The school is an accredited provider of a School-centred Initial Teacher Training (SCITT) programme and receives funding from the National College of Teaching and Learning (NCTL). The academy trust also acts as an agent in distributing SCITT bursary funds from the NCTL. Payments received from NCTL and subsequent disbursements to the student teachers are excluded from the financial activities as the trust does not have control over the charitable application of the funds. The trust cannot use any of the allocation towards its own administration costs. The funds received, paid and any balances held are disclosed in note 27.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Donated fixed assets	-	34,823	34,823	14,783
Capital grants	-	1,638,860	1,638,860	1,341,858
Other donations	1,220,761	548,072	1,768,833	2,840,668
	<u>1,220,761</u>	<u>2,221,755</u>	<u>3,442,516</u>	<u>4,197,309</u>
4 Funding for the academy trust's educational operations	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	23,362,620	23,362,620	21,575,795
Start up grants	-	75,000	75,000	25,000
Other DfE group grants	-	2,096,795	2,096,795	1,064,761
	<u>-</u>	<u>25,534,415</u>	<u>25,534,415</u>	<u>22,665,556</u>
Other government grants				
Local authority grants	-	1,157,426	1,157,426	1,136,973
Special educational projects	-	819,891	819,891	1,230,932
	<u>-</u>	<u>1,977,317</u>	<u>1,977,317</u>	<u>2,367,905</u>
Other funding				
Teaching Schools income	-	947,999	947,999	975,470
	<u>-</u>	<u>947,999</u>	<u>947,999</u>	<u>975,470</u>
Total funding	<u>-</u>	<u>28,459,731</u>	<u>28,459,731</u>	<u>26,008,931</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities (can modify)	205,472	-	205,472	189,996
Catering income	512,694	-	512,694	449,574
Staff insurance income	-	43,968	43,968	58,285
Wraparound care	390,988	-	390,988	281,569
Fundraising	(5,070)	-	(5,070)	736
School trips income	963,869	-	963,869	880,715
Other income	73,923	-	73,923	1,252,997
	<u>2,141,876</u>	<u>43,968</u>	<u>2,185,844</u>	<u>3,113,872</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Other investment income	7,678	922	8,600	2,847
	<u>7,678</u>	<u>922</u>	<u>8,600</u>	<u>2,847</u>

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2019 £	Total 2018 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	18,852,478	-	4,276,167	23,128,645	22,755,387
- Allocated support costs	5,316,038	3,905,856	1,629,706	10,851,600	10,121,806
Teaching Schools					
- Direct costs	359,758	-	248,588	608,346	581,032
- Allocated support costs	117,128	2,625	128,610	248,363	300,806
	<u>24,645,402</u>	<u>3,908,481</u>	<u>6,283,071</u>	<u>34,836,954</u>	<u>33,759,031</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	48,490	45,200
- Other services	3,290	6,325
- Governance internal audit costs	-	6,000
Operating lease rentals	36,520	36,000
Depreciation of tangible fixed assets	53,310	46,463
Net interest on defined benefit pension liability	190,000	170,000
	<u>438,610</u>	<u>450,000</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Central services

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

- Educational Support Services
- Financial Services
- Human Resources
- IT Services
- Estates Management

The academy trust charges for these services on the following basis:

Each primary school in the Trust paid a partnership contribution equal to 3.5% and each secondary school pays a partnership contribution of 2.5% of their 2018 to 2019 school budget share (excluding rates) element of General Annual Grant (GAG) funding.

The amounts charged during the year were as follows:

	2019	2018
	£	£
St Augustine's Catholic Primary School	50,708	34,736
St Alban's Catholic Primary School	37,054	23,315
St Anne's Catholic Primary School	57,809	39,166
St Charles Borromeo Catholic primary and Nursery	27,323	18,891
Cardinal Newman Catholic Primary School	48,209	33,089
The Holy Family Catholic Primary School	27,669	19,202
St Hugh of Lincoln Primary School	27,285	18,791
Salesian School	150,000	174,952
St John the Baptist School	150,000	142,022
The Marist Catholic Primary School	50,981	15,327
St Cuthbert Mayne Catholic Primary School	19,660	-
Central	-	-
	646,698	519,491

9 Charitable activities

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Direct costs				
Educational operations	2,775,679	20,352,966	23,128,645	22,755,387
Teaching Schools	-	608,346	608,346	581,032
Support costs				
Educational operations	193,183	10,658,417	10,851,600	10,119,918
Teaching Schools	-	248,363	248,363	300,806
	2,968,862	31,868,092	34,836,954	33,757,143

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities	(Continued)			
Analysis of costs	Teaching £	Educational operations £	Total 2019 £	Total 2018 £
Direct costs				
Teaching and educational support staff costs	375,453	19,077,387	19,452,840	18,962,785
Staff development	7,359	94,880	102,239	137,655
Technology costs	-	716,567	716,567	700,724
Educational supplies and services	8,336	564,264	572,600	554,696
Examination fees	-	280,429	280,429	258,580
Educational consultancy	216,161	282,989	499,150	427,164
Other direct costs	1,037	2,112,129	2,113,166	2,294,815
	<u>608,346</u>	<u>23,128,645</u>	<u>23,736,991</u>	<u>23,336,419</u>
Support costs				
Support staff costs	117,128	5,316,038	5,433,166	3,931,218
Depreciation	-	53,310	53,310	46,463
Technology costs	4,239	538,114	542,353	162,712
Maintenance of premises and equipment	-	2,800,862	2,800,862	4,515,982
Cleaning	-	323,314	323,314	271,888
Energy costs	-	413,987	413,987	336,538
Rent, rates and other occupancy costs	2,625	189,903	192,528	177,882
Insurance	-	112,875	112,875	106,680
Security and transport	-	11,605	11,605	34,233
Finance costs	-	190,000	190,000	170,000
Other support costs	121,295	770,901	892,196	545,384
Governance costs	3,076	130,691	133,767	121,744
	<u>248,363</u>	<u>10,851,600</u>	<u>11,099,963</u>	<u>10,420,724</u>
10 Governance costs	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Amounts included in support costs				
Legal and professional fees	-	84,025	84,025	75,042
Auditor's remuneration				
- Audit of financial statements	42,922	5,568	48,490	45,200
Other governance costs	-	1,252	1,252	1,502
	<u>42,922</u>	<u>90,845</u>	<u>133,767</u>	<u>121,744</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

11 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	18,554,609	17,069,888
Social security costs	1,712,408	1,655,584
Pension costs	4,240,168	3,901,083
	<hr/>	<hr/>
Amounts paid to employees	24,507,185	22,626,555
Agency staff costs	111,417	44,873
Staff restructuring costs	26,800	8,000
	<hr/>	<hr/>
Amounts paid to staff	24,645,402	22,679,428
Staff development and other staff costs	342,843	352,230
	<hr/>	<hr/>
Total staff expenditure	24,988,245	23,031,658
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

Redundancy payments	16,800	-
Severance payments	10,000	8,000
	<hr/>	<hr/>
	26,800	8,000
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2019 Number	2018 Number
Teachers	364	315
Administration and support	420	294
Management	13	26
	<hr/>	<hr/>
	797	635
	<hr/> <hr/>	<hr/> <hr/>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	310	285
Administration and support	274	253
Management	16	26
	<hr/>	<hr/>
	600	564
	<hr/> <hr/>	<hr/> <hr/>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	9	9
£70,001 - £80,000	6	3
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

13 (2018 - 8) of the above employees participated in the Teachers Pension Scheme. During the period ended 31 August 2019, pension contributions for these staff amounted to £159,202 (£98,366).

Another 3 (2018 - 2) of the above employees participated in the Local Government Pension Scheme. During the period ended 31 August 2019, pension contributions for these staff amounted to £40,349 (2018 - £26,180).

Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management teams of the schools within the Trust. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,243,051 (2018 - £1,134,395).

12 Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2018 - none).

During the year, no Trustees received any benefits in kind (2018 - none).

During the year ended 31 August 2019, expense totalling £459 (2018 - £866) were reimbursed to 2 Trustees (2018 - 2).

13 Directors and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the directors and officers indemnity element from the overall cost of the RPA scheme.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Tangible fixed assets

	Freehold property	Leasehold property	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2018	400,000	292,000	94,105	31,556	49,387	867,048
Additions	-	-	-	-	25,490	25,490
At 31 August 2019	400,000	292,000	94,105	31,556	74,877	892,538
Depreciation						
At 1 September 2018	-	2,355	62,736	12,622	10,394	88,107
Charge for the year	-	2,353	31,369	6,311	13,276	53,309
At 31 August 2019	-	4,708	94,105	18,933	23,670	141,416
Net book value						
At 31 August 2019	400,000	287,292	-	12,623	51,207	751,122
At 31 August 2018	400,000	289,645	31,369	18,934	38,993	778,941

The Arundel & Brighton Diocese owns the freehold of the schools' land and buildings. The Trust holds its sites under a licence. The Supplemental Agreement included the right for the Diocesan Trustees to give not less than 2 year's written notice to the Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of approval of the financial statements. In accordance with the terms of the Supplemental Agreement with The Arundel & Brighton Roman Catholic Diocesan Corporation Limited, the Trust pays no rent.

The Diocese retain ownership and control of the school's sites and so this does not meet the definition of a fixed asset. As a result no transfer on conversion has been recognised in the accounts for the Marist nor for any previous schools who joined the Trust.

The Leasehold property relates to the playing fields leased from Surrey County Council in 2018 on a 125 year lease. The rent due on these leased lands is peppercorn.

15 Stocks	2019 £	2018 £
School Uniforms	9,788	14,369

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Debtors	2019 £	2018 £
Trade debtors	121,464	262,820
VAT recoverable	314,313	323,063
Other debtors	264,452	60,824
Prepayments and accrued income	438,440	536,963
	<u>1,138,669</u>	<u>1,183,670</u>
	<u>1,138,669</u>	<u>1,183,670</u>
17 Creditors: amounts falling due within one year	2019 £	2018 £
Other loans	30,000	30,000
Trade creditors	930,200	1,093,185
Other taxation and social security	432,207	413,979
Other creditors	474,285	382,992
Accruals and deferred income	1,512,155	1,546,941
	<u>3,378,847</u>	<u>3,467,097</u>
	<u>3,378,847</u>	<u>3,467,097</u>
18 Creditors: amounts falling due after more than one year	2019 £	2018 £
Other loans	180,000	210,000
	<u>180,000</u>	<u>210,000</u>
	<u>180,000</u>	<u>210,000</u>
Analysis of loans		
Wholly repayable within five years	210,000	240,000
Less: included in current liabilities	(30,000)	(30,000)
	<u>180,000</u>	<u>210,000</u>
Amounts included above	<u>180,000</u>	<u>210,000</u>
	<u>180,000</u>	<u>210,000</u>
Loan maturity		
Debt due in one year or less	30,000	30,000
Due in more than two years but not more than five years	120,000	120,000
Due in more than five years	60,000	90,000
	<u>210,000</u>	<u>240,000</u>
	<u>210,000</u>	<u>240,000</u>

Prior to conversion, an interest free loan of £300,000 was made by the Diocese to St John the Baptist School. This was inherited on conversion and is repayable in equal instalments over a term of 10 years. The final payment is expected to be made in the year ended 31 August 2026.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19	Deferred income	2019	2018
		£	£
	Deferred income is included within:		
	Creditors due within one year	791,539	779,581
		<u>791,539</u>	<u>779,581</u>
	Deferred income at 1 September 2018	779,581	501,884
	Released from previous years	(779,581)	(501,884)
	Resources deferred in the year	791,539	779,581
		<u>791,539</u>	<u>779,581</u>
	Deferred income at 31 August 2019	791,539	779,581
		<u>791,539</u>	<u>779,581</u>
	Deferred income is made up of the following balances		
		2019	2018
		£	£
	Breakfast Club	-	2,219
	Devolved formula capital	-	69,644
	Exclusion funding	75,000	9,217
	Letting income	7,000	22,896
	Rates relief	75,895	83,079
	School fund income	273,242	163,772
	Teaching school fees	987	600
	Trip income 2019/20 2018/19	28,095	57,459
	UIFSM 2019/20 2018/19	275,771	256,395
	SCITT income	-	114,300
	Maths Hub	5,465	-
	Donations	1,260	-
	16-19 Bursary	40,806	-
	Wrap around care	8,018	-
		<u>791,539</u>	<u>779,581</u>
		<u>791,539</u>	<u>779,581</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

	Restated Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	23,362,620	(23,362,753)	-	(133)
Start up grants	-	75,000	(45,397)	(9,500)	20,103
Other DfE / ESFA grants	(67,549)	2,096,795	(1,808,959)	(54,232)	166,055
Other government grants	-	1,977,317	(1,977,317)	-	-
Teaching Schools	249,122	947,999	(856,709)	-	340,412
Governors' funds	828,232	409,941	(263,119)	-	975,054
Other income	714,325	52,717	-	(18,054)	748,988
Other grants	181,783	19,639	(190,981)	-	10,441
Pension reserve	(6,195,000)	-	(1,410,000)	(2,697,000)	(10,302,000)
	<u>(4,289,087)</u>	<u>28,942,028</u>	<u>(29,915,235)</u>	<u>(2,778,786)</u>	<u>(8,041,080)</u>
Restricted fixed asset funds					
Inherited on conversion	715,858	-	(8,013)	-	707,845
DfE group capital grants	1,048,322	1,638,860	(1,799,404)	9,500	897,278
Other Grants	105,111	110,665	-	-	215,776
Other fixed assets	33,519	-	(15,949)	25,710	43,280
Other income	23,919	34,823	(202,970)	46,576	(97,652)
	<u>1,926,729</u>	<u>1,784,348</u>	<u>(2,026,336)</u>	<u>81,786</u>	<u>1,766,527</u>
Total restricted funds	<u>(2,362,358)</u>	<u>30,726,376</u>	<u>(31,941,571)</u>	<u>(2,697,000)</u>	<u>(6,274,553)</u>
Unrestricted funds					
General funds	1,608,034	1,598,234	(1,069,925)	-	2,136,343
School funds	805,689	1,772,081	(1,866,412)	-	711,358
	<u>2,413,723</u>	<u>3,370,315</u>	<u>(2,936,337)</u>	<u>-</u>	<u>2,847,701</u>
Total funds	<u>51,365</u>	<u>34,096,691</u>	<u>(34,877,908)</u>	<u>(2,697,000)</u>	<u>(3,426,852)</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

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

Designated Funds

- School funds are designated by the Trustees for use against future events and activities.

Restricted Funds

- The *General Annual Grant (GAG)* represents the core funding for the educational activities of the schools that has been provided to the Trust via the Education and Skills Funding Agency (ESFA) by the Department of Education (DfE). The GAG fund has been set up because GAG must be used for normal running costs of the Trust.
- *Start-up grants* represent Academy Conversion Support grants and a Primary Academy Chain Development Grant. All the income received was fully expended during the year. Expenditure relating to these grants is controlled and used specifically as set out in the conditions of the grant.
- *Other DfE/EFSA grants* includes Pupil Premium, Universal Infant Free School Meals, Maths Hub Funding, Sports Grant, MAT Development and Improvement Fund, Strategic School Improvement Fund. The relevant restricted expenditure has been allocated through this fund.
- The *Teaching Schools fund* has been created to recognise the restricted funding received from the Department of Education to cover the operating costs associated with the running of the Teaching School and School Centred Initial Teacher Training (SCITT). This fund also included other income generated by the Trust towards Teaching Schools.
- The *Governors' fund* has been created to recognise donations received which are to be used for restricted purposes.
- The *Other income fund* has been created to recognise all sundry sources of restricted income from various sources that are individually immaterial in value. The relevant restricted expenditure is then also recorded through this fund.
- The *Other grants fund* included grants received and expenditure relating to these grants is controlled and used specifically as set out in the conditions of the grant.
- The *Pension reserve fund* has been created to separately identify the LGPS pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

Restricted Fixed Asset Funds

- The *Inherited fixed asset fund* has been set up to recognise the tangible assets gifted to the Trust upon conversion which represents freehold land, leasehold land and all material items of plant and machinery. Depreciation charged on inherited assets is allocated to this fund.
- The DfE group capital grants represent income received under the Schools Condition Allocation and Devolved Formula Capital for capital expenditure and maintenance of the Trusts school sites.
- *Other grants* include LCVAP funding for capital projects undertaken by the Trust that have been funded by LCVAP.
- *Other fixed assets fund* represents capital additions which are non-capital grant funded.
- *Other income* is donations received for a capital project.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	As restated Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	21,575,795	(21,575,795)	-	-
Start up grants	-	25,000	(25,000)	-	-
Other DfE / ESFA grants	-	295,155	(362,704)	-	(67,549)
Teaching Schools	155,490	975,470	(881,838)	-	249,122
Governors' funds	723,704	405,768	(301,240)	-	828,232
Other income	-	1,078,080	(97,803)	(265,952)	714,325
Other grants	-	3,097,744	(2,915,961)	-	181,783
Pension reserve	(5,977,000)	(367,000)	(1,214,000)	1,363,000	(6,195,000)
	<u>(5,097,806)</u>	<u>27,086,012</u>	<u>(27,374,341)</u>	<u>1,097,048</u>	<u>(4,289,087)</u>
Restricted fixed asset funds					
Transfer on conversion	470,321	292,000	(46,463)	-	715,858
DfE group capital grants	836,179	1,341,858	(1,129,715)	-	1,048,322
Other Grants	120,000	2,426,524	(2,441,413)	-	105,111
Other fixed assets	33,519	-	-	-	33,519
Other income	30,000	163,870	(435,903)	265,952	23,919
	<u>1,490,019</u>	<u>4,224,252</u>	<u>(4,053,494)</u>	<u>265,952</u>	<u>1,926,729</u>
Total restricted funds	<u>(3,607,787)</u>	<u>31,310,264</u>	<u>(31,427,835)</u>	<u>1,363,000</u>	<u>(2,362,358)</u>
Unrestricted funds					
General funds	1,861,656	533,091	(786,713)	-	1,608,034
School funds	789,334	1,558,950	(1,542,595)	-	805,689
	<u>2,650,990</u>	<u>2,092,041</u>	<u>(2,329,308)</u>	<u>-</u>	<u>2,413,723</u>
Total funds	<u>(956,797)</u>	<u>33,402,305</u>	<u>(33,757,143)</u>	<u>1,363,000</u>	<u>51,365</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds	(Continued)	
Total funds analysis by academy		
	2019	2018
Fund balances at 31 August 2019 were allocated as follows:	£	£
St Augustine's Catholic Primary School	112,610	111,581
St Alban's Catholic Primary School	501,792	453,661
St Anne's Catholic Primary School	288,594	166,561
St Charles Borromeo Catholic primary and Nursery	284,087	320,239
Cardinal Newman Catholic Primary School	171,470	127,522
The Holy Family Catholic Primary School	95,605	85,700
St Hugh of Lincoln Primary School	253,368	201,444
Salesian School	1,915,299	1,920,547
St John the Baptist School	1,031,940	676,716
The Marist Catholic Primary School	165,335	161,190
St Cuthbert Mayne Catholic Primary School Central	47,252	-
	241,269	94,475
Total before fixed assets fund and pension reserve	5,108,621	4,319,636
Restricted fixed asset fund	1,766,527	1,926,729
Pension reserve	(10,302,000)	(6,195,000)
Total funds	(3,426,852)	51,365

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
St Augustine's Catholic Primary School	1,141,447	175,088	120,804	320,503	1,757,842	1,671,786
St Alban's Catholic Primary School	872,991	198,583	101,655	349,969	1,523,198	1,339,198
St Anne's Catholic Primary School	1,297,620	163,643	103,196	370,450	1,934,909	1,886,633
St Charles Borromeo Catholic primary and Nursery	786,864	121,149	87,405	207,095	1,202,513	1,137,377
Cardinal Newman Catholic Primary School	1,155,792	171,212	109,967	260,559	1,697,530	1,711,587
The Holy Family Catholic Primary School	589,409	117,887	77,701	168,808	953,805	963,533
St Hugh of Lincoln Primary School	589,467	62,666	45,357	79,336	776,826	828,077
Salesian School	6,120,097	963,444	1,352,651	2,196,689	10,632,881	9,655,500
St John the Baptist School	5,204,953	790,461	545,599	1,994,227	8,535,240	10,648,602
The Marist Catholic Primary School	1,240,682	220,210	122,506	347,853	1,931,251	1,502,567
St Cuthbert Mayne Catholic Primary School	474,202	67,903	38,248	92,893	673,246	-
Central	452,314	486,356	-	7,245,038	8,183,708	1,916,030
	<u>19,925,838</u>	<u>3,538,602</u>	<u>2,705,089</u>	<u>13,633,420</u>	<u>39,802,949</u>	<u>33,260,890</u>

21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	751,122	751,122
Current assets	3,321,625	5,345,843	1,015,405	9,682,873
Creditors falling due within one year	(473,924)	(2,904,923)	-	(3,378,847)
Creditors falling due after one year	-	(180,000)	-	(180,000)
Defined benefit pension liability	-	(10,302,000)	-	(10,302,000)
Total net assets	<u>2,847,701</u>	<u>(8,041,080)</u>	<u>1,766,527</u>	<u>(3,426,852)</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	778,941	778,941
Current assets	2,610,086	5,386,647	1,147,788	9,144,521
Creditors falling due within one year	(196,363)	(3,270,734)	-	(3,467,097)
Creditors falling due after one year	-	(210,000)	-	(210,000)
Defined benefit pension liability	-	(6,195,000)	-	(6,195,000)
Total net assets	<u>2,413,723</u>	<u>(4,289,087)</u>	<u>1,926,729</u>	<u>51,365</u>

22 Pension and similar obligations

The academy 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 Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £396,366 were payable to the schemes at 31 August 2019 (2018: £359,883) and are included within creditors.

Teachers' Pension Scheme

Introduction

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers 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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education in March 2019.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge)
- the rise in contribution delayed from 1 April to September 2019
- 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 £196,000 million giving a notional past service deficit of £22,100 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £2,024,018 (2018: £1,932,852).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.7% for employers and 5.5-12.5% for employees.

As described in note 29 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy 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.

Total contributions made	2019 £	2018 £
Employer's contributions	1,070,000	921,000
Employees' contributions	330,000	288,000
Total contributions	1,400,000	1,209,000

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations (Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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

	2019 Years	2018 Years
Retiring today		
- Males	21.6	22.5
- Females	23.6	24.6
Retiring in 20 years		
- Males	22.5	24.1
- Females	25.0	26.4

FRS102 does not require disclosure of the sensitivity of the results to the methods and assumptions used. However, it is recommended best practice that this information is included.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:-

Change in assumptions at 31 August 2019:	Approximate % increase to Employers Liability	Approximate monetary amount (£'000)
0.5% decrease in real discount rate	12%	2,701
0.5% increase in the Salary Increase Rate	2%	361
0.5% increase in Pension Increase Rate	10%	2,287

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	8,473,140	7,001,280
Bonds	2,148,120	1,653,080
Property	954,720	680,680
Other assets	358,020	388,960
Total market value of assets	11,934,000	9,724,000

The actual return on scheme assets was £683,000 (2018: £460,000).

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	2,091,000	1,965,000
Past service cost	89,000	-
Interest income	(295,000)	(214,000)
Interest cost	485,000	384,000
Total operating charge	<u>2,370,000</u>	<u>2,135,000</u>

Changes in the present value of defined benefit obligations

2019
£

At 1 September 2018	15,919,000
Obligations acquired on conversion	237,000
Current service cost	2,091,000
Interest cost	485,000
Employee contributions	330,000
Actuarial loss/(gain)	3,085,000
Past service cost	89,000
At 31 August 2019	<u>22,236,000</u>

Changes in the fair value of the academy trust's share of scheme assets

2019
£

At 1 September 2018	9,724,000
Assets acquired on conversion	127,000
Interest income	295,000
Actuarial gain	388,000
Employer contributions	1,070,000
Employee contributions	330,000
At 31 August 2019	<u>11,934,000</u>
Total	<u>10,302,000</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Reconciliation of net expenditure to net cash flow from operating activities

	2019	2018
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(781,217)	(354,838)
Adjusted for:		
Net deficit/(surplus) on conversion to academy	40,954	(79,346)
Capital grants from DfE and other capital income	(1,749,525)	(3,917,469)
Investment income receivable	(8,600)	(2,847)
Defined benefit pension costs less contributions payable	1,110,000	1,044,000
Defined benefit pension scheme finance cost	190,000	170,000
Depreciation of tangible fixed assets	53,309	46,463
Decrease/(increase) in stocks	4,581	(14,369)
Decrease/(increase) in debtors	45,001	(379,304)
(Decrease)/increase in creditors	(88,250)	1,274,817
Stocks, debtors and creditors transferred on conversion	36,521	-
Net cash used in operating activities	(1,147,226)	(2,212,893)

24 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	32,318	36,520
Amounts due in two and five years	31,128	56,034
	<u>63,446</u>	<u>92,554</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Related party transactions

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

The Trust operates from land and buildings provided rent free by the Bishop of Arundel & Brighton and the Trustees. Under an agreement between the Diocese, the Trust and the Secretary of State the Diocese would be required to give 24 months' notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore, committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees do not have a reliable estimate for the cost of renting equivalent buildings and have therefore excluded any rental cost or donation in kind in these financial statements.

During the year a trustee's family member was an employee of a school within the Trust. The total remuneration paid, including salary and pension costs, was £24,694 (2018 - £20,637). The Trust also paid £5,000 (2018 - £NIL) for website services to a trustee's family member.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

26 Members' liability

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

27 Agency arrangements

The academy distributes SCITT bursary funds to student teachers as an agent for TRA. During the accounting period ending 31 August 2019 the trust received £808,100 (2018: £764,200) and disbursed £808,100 (2018: £764,200). An amount of £Nil (2018: £114,300) has been included in deferred income relating to undistributed funds that are repayable to TRA.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

28 Teaching Schools trading account	2019		2018	
	£	£	£	As restated £
Direct income				
Fee income		314,174		257,531
Other income		633,825		717,939
Total income		<u>947,999</u>		<u>975,470</u>
Direct costs				
Direct staff costs	375,453		388,599	
Educational supplies and services	8,336		1,306	
Staff development	7,359		29,980	
Educational consultancy	216,161		156,026	
Other direct costs	1,037		5,121	
Total income	<u>608,346</u>		<u>581,032</u>	
Other costs				
Support staff costs	117,128		126,278	
Technology costs	4,239		4,199	
Rent and rates	2,625		-	
Other support costs	121,295		168,441	
Share of governance costs	3,076		1,888	
	<u>248,363</u>		<u>300,806</u>	
Total operating costs		<u>(856,709)</u>		<u>(881,838)</u>
Surplus from teaching schools		<u>91,290</u>		<u>93,632</u>
Teaching Schools balances at 1 September 2018		<u>249,122</u>		<u>155,490</u>
Teaching Schools balances at 31 August 2019		<u><u>340,412</u></u>		<u><u>249,122</u></u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

29 Conversion to an academy

On 1 November 2018 St Cuthbert Mayne Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Xavier Catholic Education Trust from Surrey County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
St Cuthbert Mayne Catholic Primary School	Cranleigh	1 November 2018

	2019 £
Net assets transferred:	
Cash	32,525
Pension scheme deficit	(110,000)
Other	36,521
	<u>(40,954)</u>

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Funds surplus/(deficit) transferred:				
LA budget funds	32,525	-	-	32,525
LGPS pension funds	-	(110,000)	-	(110,000)
Other funds	-	36,521	-	36,521
	<u>32,525</u>	<u>(73,479)</u>	<u>-</u>	<u>(40,954)</u>

Land and buildings have not been recognised as the Diocese retained ownership and control of the school site and so this does not meet the definition of a fixed asset. As a result, no transfer on conversion has been recognised in the accounts for St Cuthbert Mayne Catholic Primary School.