

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 2021**

XAVIER CATHOLIC EDUCATION TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 15
Governance statement	16 - 19
Statement on regularity, propriety and compliance	20
Statement of trustees' responsibilities	21
Independent auditor's report on the accounts	22 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities including income and expenditure account	28 - 29
Balance sheet	30
Statement of cash flows	31
Notes to the accounts including accounting policies	32 - 60

XAVIER CATHOLIC EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Bishop of Arundel and Brighton The Right Reverend Charles Philip Richard Moth
- Chair of Diocesan Academies Strategic Board Carol Ann Simonne Roycroft (until 1 March 2020)
- Chair of Academies Partnership Committee Joseph Peter Davies (from 3 November 2020)
- Arundel, Brighton Roman Catholic Diocesan Corporation Sarah Kilmartin, Diocesan Financial Secretary

Directors

Sarah Clark
Maria Dineen
Miroslaw Gliniecki
Michael Harrington
Peter O'Brien (Chair)
John Wells
John Lydon

Key management personnel

- CEO Ani Magill
- Chief Financial Officer Nicola Kenworthy (until 29 September 2021)
- Finance Director Tracey Fordyce (from 1 September 2021)
- Director of Operations Ceri Murray
- Headteacher - St Alban's Martin Brannigan
- Headteacher - St Hugh of Lincoln Deborah Harper
- Headteacher - St John the Baptist James Granville Hamshar
- Headteacher - St Charles Borromeo Stephen Holt
- Headteacher - Cardinal Newman Catherine Burnahm
- Executive Headteacher - Salesian School James Kibble
- Head of School - Salesian School Paul Gower
- Headteacher - St Cuthbert Mayne Natalie McCarthy
- Headteacher - St Anne's Leanne Harris
- Headteacher - St Augustine's Alison Walsh
- Headteacher - The Marist Kate Licence
- Headteacher - The Holy Family Steve Tindall
- Headteacher - St Thomas of Canterbury Neil Lewin
- Headteacher - St Polycarp's Paula Best
- Headteacher - St Peter's Catholic School Toby Miller
- Headteacher - St Edmund's Elizabeth Higgins

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

St Augustine's Catholic Primary School
St Alban's Catholic Primary School
St Anne's Catholic Primary School
St Charles Borromeo Catholic Primary and Nursery
Cardinal Newman Catholic Primary School
The Holy Family Catholic Primary School
St Hugh of Lincoln Primary School
Salesian School
St John the Baptist School
The Marist Catholic Primary School
St Cuthbert Mayne Catholic Primary School
St Thomas of Canterbury Catholic Primary School
St Polycarp's Catholic Primary School
St Peter's Catholic Secondary School
St Edmund's Catholic Primary School
Central Services

Location

Frimley
East Molesey
Chertsey
Weybridge
Hersham
Addlestone
Woking
Chertsey
Woking
West Byfleet
Cranleigh
Guildford
Farnham
Guildford
Godalming
Chertsey

Principal

Alison Walsh
Martin Brannigan
Leanne Harris
Stephen Holt
Catherine Burnham
Steve Tindall
Deborah Harper
Paul Gower
James Granville Hamshar
Kate Licence
Natalie McCarthy
Neil Lewin
Paula Best
Toby Miller
Elizabeth Higgins
Ani Magill

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 2021

The directors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

During the period the Trust operated twelve primary schools and three secondary schools serving the Woking, Weybridge and Guildford 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
- St Thomas of Canterbury Catholic Primary School
- St Polycarp's Catholic Primary School
- St Peter's Catholic School
- St Edmund's Catholic Primary School

These schools have a combined pupil capacity of 8,670 and had a roll of 8,539 in the school census on October 2021.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The 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 £10m and is explained in the 'Governors Liability' section of the RPA.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021

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 Headteachers.

Where possible, the Trust 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

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Trust to publish information on facility time arrangements for trade union officials at the Trust. The Trust confirms that there were no employees acting as trade union officials within the meaning of these regulations during the year ended 31 August 2021 and therefore no employee spent time on facility time and no percentage of the pay bill was spent on facility time.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Engagement with employees

All schools within the Xavier Catholic Education Trust regularly communicate with all employees regarding matters of interest to them regarding both their own school and across all schools within the Xavier Catholic Education Trust. Communication is through weekly staff newsletters/bulletins and staff briefings (usually staff meetings, currently via on line briefings). In addition to this, schools have regular staff meetings, which cover areas such as the school and Xavier Catholic Education Trust development plans, changes or new initiatives taking place, operational matters, pay settlements and staff wellbeing.

Staff are consulted on key changes that will impact on their working environment, such as changes to the school day or timetable, changes to organisational practices, for example as a result of coronavirus and implementing government guidance for student and staff safety, changes to performance management and Government changes that impact on schools, such as curriculum changes, examinations and pay.

All staff are an integral part of the Trust's drive to constantly improve pupil progress at all levels from entry to reception classes through to GCSE and A levels. The involvement of employees is encouraged by clear pupil tracking of progress and accountability through the appraisal process and staff involvement in the wider education of pupils through school performances, sports and extra-curricular activities. Each school has a mental health lead and schools share good practice across the Trust with regard to wellbeing, diversity and equality. All staff attend at least two Trust wide training days a year and are able to share resources and initiatives that increase performance through network meetings and forums. Exit interviews are also embedded and provide an insight into staff opinion on a range of issues.

The Xavier Catholic Education Trust and all its schools seek to maintain positive relations with all staff through open communication, forums and consultation and involves Unions in the consultation of policy changes. We are committed to providing equal opportunities for all staff and prospective employees and seek to eliminate unlawful discipline and selection for redundancy. Trustees believe that effective engagement with staff at all levels within the Trust is vital when 'striving for excellence' and by visiting schools, involvement with local governing committees and Headteacher groups combined with updates from the committee meetings, aim to fully understand the levels of engagement and views of all employees.

The Xavier Catholic Education Trust and all its schools' welcome applications from all interested candidates. The recruitment policy and all stages of the application process openly seek to accommodate any additional needs of disabled persons, applying reasonable adjustments for physical disabilities, neurodiversity and long term health conditions. Shortlisting and the interview process are inclusive and once employed as part of the induction process the Trust works with individual employees to ensure the individual adaptations are implemented, to ensure they can carry out their roles effectively and progress their careers in an environment that values all employees equally.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

Students

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.

We 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 to fulfil their potential. The Trust takes its role seriously and our children attend schools where they are cherished, loved and challenged in a setting where everything is underpinned by the Gospel values.

All of our schools strive for excellence in everything that they do.

Customers

The Trust has a range of customers through the lettings of its properties. Our customers range from community groups and clubs to private organisations and charities. The Trust's overriding aim is to provide facilities for the use by, and for the benefit of, our local communities.

In addition to lettings a number of our schools also provide breakfast clubs and afterschool facilities. For parents, breakfast clubs and afterschool activities offer a safe, reliable, and affordable childcare alternative, enabling parents to pursue careers and get to work on time. For Children, extra-curricular clubs and classes provide them with the opportunity to engage in new interests and take part in activities otherwise unavailable to them.

Suppliers

To enable us to meet the educational and operational needs of the Trust we engage a large number of suppliers both locally and nationally.

Suppliers provide services for building maintenance, cleaning, catering and utilities. We also engage suppliers to purchase curriculum and administration consumables. Relationships with all our suppliers are managed at both Trust and local level. Positive engagement with suppliers enables us to develop and maintain long-term and sustainable relationships and helps ensure that the Trust purchase products and services competitively and responsibly. Regular contract review meetings, proof of best value and adhering to Government procurement processes is vital in maintaining these relationships and providing an optimum level of education for our students.

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.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

We 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. Ensure every child receives an excellent education

This means we will:

- Monitor standards in our schools every term to ensure test results improve each year
- Monitor all aspects of education for our under-represented groups to ensure equity
- Ensure every child has opportunities for extra-curricular and enrichment activities and trips
- Quality assure learning and teaching in all schools and monitor development plans
- Share the excellent practice that exists across our schools
- Set aspirational pupil progress targets for all staff and track this each term
- Ensure there are robust self-evaluation procedures in all our schools
- Raise aspirations of all schools not yet in the top 10% in Surrey or nationally
- Ensure all our schools have a diverse range of resources within and outside the curriculum
- Conduct annual research to obtain feedback on our performance from all stakeholders
- Ensure we get feedback from all our under-represented groups on inclusion
- Tackle any underperformance and take robust action
- Provide support for the mental health and wellbeing of all children and adults in the Trust
- Ensure all schools are abreast with the latest research and developments in pedagogy

2. Recruit, develop and retain best people

This means we will:

- Ensure all staff are developed in their role and this is monitored by the annual appraisal process
- Have a centralized recruitment strategy and succession plan
- Provide a comprehensive range of free leadership programs from Early Career Teacher to headship
- Provide an annual program of professional development for all staff
- Provide an annual training program for Governors and Chairs
- Ensure all under-represented groups have good role models in our schools
- Provide development opportunities for staff wishing to progress in their career
- Develop a culture where everyone feels proud to be part of the Xavier family

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3. Support our schools by providing exceptional central services

This means we will:

- Seek feedback on the quality of central services and review the provision each year
- Expand central services as we grow or the need arises
- Carry out a full due diligence of any school wishing to join the Trust
- Review the partnership contribution on a regular basis
- Review the Trust structures/steering groups as the Trust grows
- Have a timetable of policy review

4. Ensure our Catholicity is at the core of everything we do

This means we will:

- Ensure that the ethos in all our schools is driven by the Christian values which are lived every day
- Continue to provide outstanding pastoral care in all our schools
- Ensure every child feels safe and loved when at school regardless of their ethnic or cultural background
- Ensure all staff and children have opportunities to grow in their faith
- Increase the number of Catholics joining the School Centred Initial Teacher Training (SCITT)
- Provide training opportunities that support the Catholic life of the school
- Support local Catholic schools whenever needed
- Investigate an alternative provision for students unable to access mainstream education
- Maintain strong links with deanery schools outside the Trust
- Be proactive in forming good relationships with our parishes, the academies partnership committee, RSC and other bodies
- Share our resources and lessons learnt with other Catholic trusts
- Share resources on prayer and worship and RE curriculum Support schools in difficulty whenever possible

5. We are financially robust and provide value for money

This means we will:

- Have a three year budget for all schools updated biannually
- Have a rolling 5 year maintenance plan to upgrade all our schools
- Work with governors to ensure we place more emphasis on health and safety
- Review and increase our list of preferred suppliers
- Support schools with financial modelling and budgeting
- Provide benchmarking data for all our schools
- Bid for all available funds
- Investigate ways to generate income
- Procure more services centrally

6. Provide exceptional services through our teaching school hub

This means we will:

- Continue to provide outstanding Early Careers Framework, Continuing Professional Development and National Professional Qualifications
- Build good relationships with all our hub schools and with other hubs
- Hit our Key Performance Indicators and receive good feedback from the Department of Education

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

Strategic report

Achievements and performance

1. Positive feedback from all schools regarding the support received from Xavier Catholic Education Trust, especially regarding central communication and guidance around COVID-19 issues
2. Exceptional remote learning programme delivered throughout COVID-19, with all schools delivering quality targeted content via a mix of synchronous and asynchronous lessons
3. Xavier awarded Teaching School Hub designation; one of 87 centres of excellence for teacher training and development, serving a regional network of 283 schools in Surrey
4. Across the Primary and Secondary Teach SouthEast cohort, 100% of Trainees who were on roll in the final term completed and passed the year, gaining Qualified Teacher Status. 95% of Trainees gained employment, 71% of Trainees being employed within the partnership (with more in the Early Career Teacher schools in our wider partnership)
5. Recruitment of 460 Early Career Teachers to the inaugural Early Career Framework programme across more than 300 schools
6. Successful support given to over 600 schools through the Maths Hub and EdTech demonstrator programmes
7. Continued improvement of school estates, with condition work being carried out in all schools. 2 significant building projects were completed in primary schools and 3 major projects commenced in secondary schools

Key performance indicators

GCSE	Salesian		SJB		St Peter's	
	2021	2020	2021	2020	2021	2020
9-7	53%	49%	45%	51%	52%	51%
5 standard passes inc Eng & Ma	93%	92%	94%	95%	91%	92%
5 strong passes inc Eng & Ma	80%	79%	80%	81%	80%	79%
Progress 8	1.14	1.07	1.14	1.32	0.96	0.93
EBacc Pass	25%	-	48%	-	38%	-

A' Level	Salesian		SJB		St Peter's	
	2021	2020	2021	2020	2021	2020
A*-A	53%	53%	50%	48%	55%	49%
A*-B	78%	83%	79%	79%	78%	79%
A*-C	93%	96%	93%	96%	93%	95%

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The data below is as per the previous year as there were no Statutory Assessment Tests taken due to Coronavirus.

School	Ofsted grade	Progress score		
		Reading	Writing	Maths
St Alban's	Good	4	2.1	3.1
St Anne's	Good	1.8	0.4	2.1
St Augustine's	Outstanding	1.8	1	1.6
Cardinal Newman	Good	0.4	1.4	1.5
Holy Family	Good	1.4	2.6	3.8
St Charles Borromeo	Outstanding	1.2	-0.8	2.4
St Hugh of Lincoln	Good	0.8	-1.5	-0.9
St Cuthbert Mayne	Outstanding	1.2	0.2	0.3
The Marist	Good	2.9	2.3	1.1
St Polycarp's	Outstanding	3.2	3	0.4
St Thomas of Canterbury	Good	1.6	0.3	-0.5
St Edmund's	Good	1.9	0.9	0.9

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 continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies and promoting the success of the company.

Promoting the success of the academy trust

Specific references to the way in which the Trustees have had regard to the matters set out under S172(1) of the Companies Act 2006 are as follows:-

1. Likely consequences of decisions in the long term – the Trustees' report on pages 8 and 9 provides information in this regard, together with the Trustees' analysis of the Principal risk and uncertainties on page 13
2. The interests of employees – the trustees have reported on trade union facility time on page 5, how the Trust has engaged with employees and its equal opportunities commitment on page 6
3. Need to foster the business relationships with suppliers and others – please see page 7
4. Impact of operations on the community and the environment – please see page 16 in particular but also the Trust's objectives and Activities on pages 8 and 9
5. Desirability of maintaining a reputation of high standards of business – the Trustees' report includes reporting on organisation structure, remuneration and related party transactions
6. Need to act fairly between members – see structure, governance and management on page 3

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2021, total expenditure of £52,185,433 (2020: £51,261,686) was met by recurrent grant funding from the ESFA together with other incoming resources and utilisation of brought forward reserves.

The Trust received £1,903,897 in capital funding (School Condition Allocation) from the ESFA on a formula basis (2020: £1,766,130).

The Trust incurred a deficit of £795,161 (2020 – £3,992,038) for the year (excluding Restricted Fixed Asset Funds) and before the transfer of £718,712 (2020 - £415,909) to the Restricted Fixed Asset Fund, giving a total deficit of £1,513,873 (20 - £4,407,947). Part of the deficit was due to the loss on conversion of a new school which equated to £192,542 (20 - £2,200,228).

As at 31 August 2021, the Trust had total deficit funds of £12,915,503 (2020: £8,508,556). This was comprised of £2,553,282 (20 - £2,520,415) of Restricted general funds, excluding the pension deficit fund of £23,227,000 (2020: £17,185,000), Restricted Fixed Asset fund £3,151,696 (2020: £2,820,770) and £4,606,519 (2020: £3,335,259) of unrestricted general funds.

Reserves policy

The Directors review the reserve levels of the Trust annually. This review encompasses a review of the current year's budgets and the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Apart from any contingency of a maximum of 2% of GAG funding, 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 2021, restricted funds amounted to £5,704,978 (2020: £5,341,185). Specific capital projects which have resulted in holding reserves above the 2% threshold include a new sports hall, art block and 6th form block, to name a few.

As at 31 August 2021, unrestricted funds amounted to £4,606,519 (2020: £3,335,259). It is anticipated that much of this balance will be utilized on projects and initiatives identified in the individual schools over a period determined on a case by case basis.

The deficit on the local government pension scheme of £23,227,000 (see note 22 to the accounts for details) is not relevant in the short term and therefore not considered when determining the level of reserves. The liability is not due in the following accounting period and the deficit will be addressed, based on recommendations of the scheme actuary, over many 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.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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:

- The falling numbers of children entering education in Surrey and the impact on school reception classes in the Trust for future years with a corresponding reduction in funding.
Managed by the Trust Operations Team and schools producing a comprehensive analysis and forecast of pupil numbers based on Surrey projections. Director of Operations and CEO working with schools to look at marketing and school accessibility. CFO producing 3-year financial models based on expected and worst-case pupil numbers. Monitored by Trust Board and Trust Finance Committee.
- 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.
- 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 maintain 3-year plans of minimum and maximum number of schools joining, with aligned finances and central function models.
- Trust Board delegates too much or too little to the Local Governing Committees (LGC) and/or the CEO/ CFO.
Managed by comprehensive programme of LGC work plans and Local Governor roles' descriptors, produced by CEO with external expertise. Controlled by review of advice from auditors and audit committee and review of training needs and providing training as required. Review is undertaken by the Risk and Audit Committee and informed by Audit Reports.
- 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.
- Staff absence due to COVID-19 may impact teaching and learning as well as compromise school resourcing.
Monitored by the Trust Operations Team, regular contact with Headteachers on staffing situation and overseen by CEO.
- Maintaining Building Compliance with Health, Safety and Fire risk assessment standards.
Managed through implementation of Smartlog central fire, health and safety compliance management software which provides the Trust Estates Team with the live status of compliance actions and evidence. Monitored by Director of Operations, 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 2021

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 2020/2021.

Streamlined energy and carbon reporting

Energy consumption

Aggregate of energy consumption in the year

kWh
7,911,886

Emissions in metric CO₂ equivalent (CO₂e)

Scope 1 - direct emissions

- Gas combustion

1,029.39

- Fuel consumed for owned transport

4.77

1,034.16

Scope 2 - indirect emissions

- Electricity purchased

539.36

Scope 3 - other indirect emissions

- Fuel consumed for transport not owned by the academy trust

13.19

Total gross emissions

1,586.71

Intensity ratio

Tonnes CO₂e per pupil

0.19

Quantification and reporting methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

We have increased video conferencing technology for staff meetings to reduce the need for travel between sites.

XAVIER CATHOLIC EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The key priorities of the Trust in 2021/2022 are to:

- Ensure all our schools continue to strive for excellence
- Ensure that we continue to invest in building scale for growth whilst maintaining excellent service for all schools
- Ensure that all schools continue to move forward despite COVID-19 restrictions
- Ensure all schools have taken robust action following the Teaching & Learning review
- Continue to review the work of Learning Support Assistants in our schools
- Recruit, develop and retain good Governors in all our schools
- Improve our diversity and capacity provision
- Continue to develop a Trust-wide IT strategy and centralise network management wherever possible
- Further centralise the management of finance, budgeting and control
- 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 partnership contribution which delivers excellent value for money
- Continue to improve and enhance the condition of school premises
- Develop options for further capacity and 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
- Ensure our work on Equality, Diversity and Inclusion impacts in all schools
- Ensure all schools are full
- Ensure all schools maximise income through wraparound care
- Ensure a smooth amalgamation of TSE, TSH and Xavier Central team

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.

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 09 December 2021 and signed on its behalf by:



Peter O'Brien
Chair

XAVIER CATHOLIC EDUCATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 6 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Directors	Meetings attended	Out of possible
Sarah Clark	6	6
Maria Dineen	6	6
Mirosław Gliniecki	6	6
Michael Harrington	5	6
Peter O'Brien (Chair)	6	6
John Wells	6	6
John Lydon	5	6

Also in attendance were Ani Magill, the Trust's Chief Executive Officer, James Kibble, the Trust's Deputy Chief Executive Officer, Nicola Kenworthy, the Trust's Chief Financial Officer and Ceri Murray, the Trust's Director of Operations.

In addition to the formal board meetings, the Board met five additional times during the period for updates by the CEO and deputy CEO. Topics covered included COVID-19 and its impact on staff such as absence, shielding and mental health leads as well as on school operations, assessing key risks relating to the pandemic.

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

The finance committee is a subcommittee of the main board of trustees. Its purpose is 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 2021

Attendance at meetings in the year was as follows:

Directors	Meetings attended	Out of possible
Sarah Clark	4	6
Maria Dineen	5	6
Mirosław Gliniecki	6	6
Peter O'Brien	6	6
John Wells (Chair)	6	6

Also in attendance were Ani Magill, the Trust's Chief Executive Officer, Nicola Kenworthy, the Trust's Chief Financial Officer and Ceri Murray, the Trust's Director of Operations.

Risk and Audit Committee

The risk and audit committee is also a subcommittee of the main board of trustees. Its purpose is 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
Sarah Clark	3	3
Mirosław Gliniecki (Chair)	3	3
Peter O'Brien	3	3
John Lydon	3	3

Also in attendance were Ani Magill, the Trust's Chief Executive Officer, Nicola Kenworthy, the Trust's Chief Financial Officer and Ceri Murray, the Trust's Director of Operations.

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 as follows:

Directors	Meetings attended	Out of possible
Sarah Clark	2	3
Maria Dineen	3	3
Michael Harrington (Chair)	3	3
Peter O'Brien	2	3

Also in attendance were Ani Magill, the Trust's Chief Executive Officer, Nicola Kenworthy, the Trust's Chief Financial Officer, Ceri Murray, the Trust's Director of Operations and Nikki Shephard, the Trust's HR Manager.

XAVIER CATHOLIC EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Executive Remuneration Committee

Directors	Meetings attended	Out of possible
Michael Harrington (Chair)	1	1
Mirosław Gliniecki	1	1
Peter O'Brien	1	1
John Wells	1	1

Also in attendance was Ani Magill, the Trust's Chief Executive Officer for the first part of the meeting only.

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 accounting officer 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, including the use of benchmarking data where appropriate. The accounting officer 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 and grounds maintenance
- Policy Development
- Network Management
- HR Support
- SEN Support
- Pedagogy support
- Safeguarding support

Reviewing controls and managing risk

- Monthly budgeting reports produced by the CFO which result in action being taken to address any significant variances that may have arisen and that are likely to have a negative impact on the budget outturn.

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 2020 to 31 August 2021 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 2020 to 31 August 2021 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 2021

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.

Buzzacott LLP were appointed as internal auditor from 1 September 2020 and were in place during the year ended 31 August 2021 performing the internal audit function.

The internal auditor's role includes giving advice on areas of weakness and areas to develop in the Trust. In particular the checks carried out in the current period included:

- Income Generation: potential for new opportunities and strategic approach
- Risk Management: review of controls and operational effectiveness
- Local Governing Committee: review of processes, controls and effectiveness
- Trust Board Governance: review of processes, controls and effectiveness

On a termly basis, 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 and prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

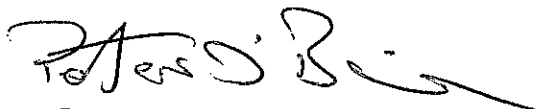
Review of effectiveness

As accounting officer the CEO 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 09 December 2021 and signed on its behalf by:



Peter O'Brien
Chair

XAVIER CATHOLIC EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Xavier Catholic Education Trust, I have considered my responsibility to notify the academy trust board of directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy 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 2020.

I confirm that I and the academy trust 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 2020.

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



Ani Magill

Accounting Officer

09 December 2021

XAVIER CATHOLIC EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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:

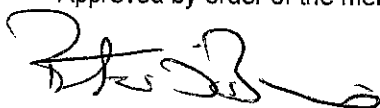
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 09 December 2021 and signed on its behalf by:



Peter 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 2021

Opinion

We have audited the accounts of Xavier Catholic Education Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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

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

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

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

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 2021

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 directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the accounts are prepared is consistent with the accounts; and

- the trustees' report including the incorporated strategic report has 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 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.

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

XAVIER CATHOLIC EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Academy Trust.

Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Completeness of income was identified as a significant risk to the audit, as grant income may not be recognised in accordance with the SORP.
- The risk associated with non-disclosure of related party transactions is deemed a significant risk, due to the number of related parties which could be unknown to the management team and the scrutiny around related party transactions by the ESFA.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be Academies Accounts Direction, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the Academy Trust complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the Academy Trust and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed support received through the Coronavirus support schemes, dovetailed with work undertaken on management override.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and appropriate;
- confirmed monthly management accounts were reviewed by the board;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the disclosures within the accounts to ensure they meet the requirements of the accounting standards and relevant legislation.

XAVIER CATHOLIC EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work, to include comparison with prior periods;
- agreed a sample of income received to supporting documentation and
- reviewed minutes of governors meetings and confirmed income sources mentioned were included correctly within the accounts.

In response to the risk of irregularities with regards to non-disclosure of related parties we:

- completed analytical work, to include comparison with prior periods;
- obtained confirmation of material balances;
- agreed disclosures to source records, including approval; and
- reviewed minutes of governors meetings;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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**

11 December 2021

**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 AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 10 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Xavier Catholic Education Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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 AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

Moore (South) LLP

Reporting Accountant
Moore (South) LLP

Dated: ...11... December 2021

XAVIER CATHOLIC EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and capital grants	3	917,935	610,745	2,603,255	4,131,935	5,143,714
Donations - transfer from local authority on conversion	31	-	-	-	-	230,000
Charitable activities:						
- Funding for educational operations	4	-	43,868,911	-	43,868,911	39,016,838
- Funding for teaching schools	30	-	1,336,507	-	1,336,507	1,139,874
Other trading activities	5	1,620,025	43,490	-	1,663,515	2,371,155
Investments	6	1,592	26	-	1,618	6,401
Total		2,539,552	45,859,679	2,603,255	51,002,486	47,907,982
Expenditure on:						
Charitable activities:						
- Educational operations	9	1,471,146	46,310,958	2,991,041	50,773,145	48,091,002
- Teaching Schools	30	-	1,219,746	-	1,219,746	970,456
Charitable expenditure - transfer from local authority on conversion	31	(11,595)	204,137	-	192,542	2,200,228
Total	7	1,459,551	47,734,841	2,991,041	52,185,433	51,261,686
Net income/(expenditure)		1,080,001	(1,875,162)	(387,786)	(1,182,947)	(3,353,704)
Transfers between funds	20	(161,454)	(557,258)	718,712	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	22	-	(3,224,000)	-	(3,224,000)	(1,728,000)
Net movement in funds		918,547	(5,656,420)	330,926	(4,406,947)	(5,081,704)
Reconciliation of funds						
Total funds brought forward		3,335,259	(14,664,585)	2,820,770	(8,508,556)	(3,426,852)
Total funds carried forward		4,253,806	(20,321,005)	3,151,696	(12,915,503)	(8,508,556)

XAVIER CATHOLIC EDUCATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £
Income and endowments from:					
Donations and capital grants	3	1,442,392	446,495	3,254,827	5,143,714
Donations - transfer from local authority on conversion	31	-	-	230,000	230,000
Charitable activities:					
- Funding for educational operations	4	-	39,016,838	-	39,016,838
- Funding for teaching schools	30	-	1,139,874	-	1,139,874
Other trading activities	5	2,313,075	58,080	-	2,371,155
Investments	6	4,975	1,426	-	6,401
Total		<u>3,760,442</u>	<u>40,662,713</u>	<u>3,484,827</u>	<u>47,907,982</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	3,588,876	41,655,633	2,846,493	48,091,002
- Teaching Schools	30	-	970,456	-	970,456
Charitable expenditure - transfer from local authority on conversion	31	(315,992)	2,516,220	-	2,200,228
Total	7	<u>3,272,884</u>	<u>45,142,309</u>	<u>2,846,493</u>	<u>51,261,686</u>
Net income/(expenditure)		487,558	(4,479,596)	638,334	(3,353,704)
Transfers between funds	20	-	(415,909)	415,909	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	22	-	(1,728,000)	-	(1,728,000)
Net movement in funds		487,558	(6,623,505)	1,054,243	(5,081,704)
Reconciliation of funds					
Total funds brought forward		<u>2,847,701</u>	<u>(8,041,080)</u>	<u>1,766,527</u>	<u>(3,426,852)</u>
Total funds carried forward		<u>3,335,259</u>	<u>(14,664,585)</u>	<u>2,820,770</u>	<u>(8,508,556)</u>


XAVIER CATHOLIC EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14		951,770		955,989
Current assets					
Stocks	15	11,691		12,160	
Debtors	16	1,569,161		1,809,049	
Cash at bank and in hand		12,198,668		10,403,142	
		<u>13,779,520</u>		<u>12,224,351</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(4,241,544)		(4,279,004)	
Net current assets			<u>9,537,976</u>		<u>7,945,347</u>
Total assets less current liabilities			<u>10,489,746</u>		<u>8,901,336</u>
Creditors: amounts falling due after more than one year	18		(178,249)		(224,892)
Net assets before defined benefit pension scheme liability			<u>10,311,497</u>		<u>8,676,444</u>
Defined benefit pension scheme liability	22		(23,227,000)		(17,185,000)
Total net liabilities			<u>(12,915,503)</u>		<u>(8,508,556)</u>
Funds of the academy trust:					
Restricted funds	20				
- Fixed asset funds			3,151,696		2,820,770
- Restricted income funds			2,905,995		2,520,415
- Pension reserve			(23,227,000)		(17,185,000)
Total restricted funds			<u>(17,169,309)</u>		<u>(11,843,815)</u>
Unrestricted income funds	20		<u>4,253,806</u>		<u>3,335,259</u>
Total funds			<u>(12,915,503)</u>		<u>(8,508,556)</u>

The accounts on pages 28 to 60 were approved by the directors and authorised for issue on 09 December 2021 and are signed on their behalf by:


Peter O'Brien
Chair

Company Number 10236797

XAVIER CATHOLIC EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Net cash used in operating activities	23		(807,402)		(2,074,189)
Cash funds transferred on conversion			142,458		682,702
			<u>(664,944)</u>		<u>(1,391,487)</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		1,618		6,401	
Capital grants from DfE Group		2,085,890		1,938,042	
Capital funding received from sponsors and others		445,900		1,254,235	
Purchase of tangible fixed assets		(26,295)		-	
			<u>2,507,113</u>		<u>3,198,678</u>
Net cash provided by investing activities					
			2,507,113		3,198,678
Cash flows from financing activities					
New other loan		-		101,930	
Repayment of other loan		(46,643)		(40,395)	
			<u>(46,643)</u>		<u>61,535</u>
Net cash (used in)/provided by financing activities					
			(46,643)		61,535
Net increase in cash and cash equivalents in the reporting period					
			1,795,526		1,868,726
Cash and cash equivalents at beginning of the year			10,403,142		8,534,416
			<u>12,198,668</u>		<u>10,403,142</u>
Cash and cash equivalents at end of the year					
			<u>12,198,668</u>		<u>10,403,142</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The directors assess whether the use of going concern is appropriate, ie 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 Thomas of Canterbury Catholic Primary School, St Polycarp's Catholic Primary School and St Peter's Catholic 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 charitable expenditure – 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 31.

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 2021

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 2021

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 or services it must provide.

1.8 Leased assets

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

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 2021

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 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 based on 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.13 Fund accounting

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

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 29.

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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	71,465	71,465	62,550
Capital grants	-	2,093,390	2,093,390	1,938,042
Other donations	917,935	1,049,145	1,967,080	3,143,122
	<u>917,935</u>	<u>3,214,000</u>	<u>4,131,935</u>	<u>5,143,714</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE/ESFA grants				
General annual grant (GAG)	-	36,469,470	36,469,470	32,718,788
Other DfE/ESFA grants:				
UIFSM	-	632,305	632,305	615,206
Pupil premium	-	593,497	593,497	595,180
Start up grants	-	25,000	25,000	-
Teachers pay grant	-	574,134	574,134	203,102
Teachers pension grant	-	1,355,611	1,355,611	1,608,024
Maths hub	-	534,156	534,156	642,456
Others	-	482,160	482,160	337,647
	-	<u>40,666,333</u>	<u>40,666,333</u>	<u>36,720,403</u>
Other government grants				
Local authority grants	-	1,422,457	1,422,457	1,236,979
Special educational projects	-	933,919	933,919	939,045
	-	<u>2,356,376</u>	<u>2,356,376</u>	<u>2,176,024</u>
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	578,344	578,344	-
Other DfE/ESFA COVID-19 funding	-	95,402	95,402	53,744
Non-DfE/ESFA				
Coronavirus job retention scheme grant	-	23,181	23,181	66,667
Other COVID-19 funding	-	149,275	149,275	-
	-	<u>846,202</u>	<u>846,202</u>	<u>120,411</u>
Teaching Schools income	-	<u>1,336,507</u>	<u>1,336,507</u>	<u>1,139,874</u>
Total funding	-	<u><u>45,205,418</u></u>	<u><u>45,205,418</u></u>	<u><u>40,156,712</u></u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations (Continued)

The multi-academy trust received £578,344 of funding for catch-up premium and costs incurred in respect of this funding totalled £511,115, with remaining £66,889 to be spent in 21/22.

The multi-academy trust also claimed other funding of £37,169 (2020 - £53,744) of other funding available in respect of exceptional costs incurred as a result of Covid-19.

The multi-academy trust furloughed wrap around care staff under the government's CJRS. The funding received of £23,181 (2020 - £66,667) relates to staff costs in respect of the 51 (2020 - 54) staff which are included within note 11 below as appropriate.

The multi-academy trust also claimed £149,275 (2020 - £nil) in respect of mass testing and £58,233 (2020 - £nil) in respect of free school meals.

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

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	173,791	-	173,791	240,269
Catering income	270,829	-	270,829	309,285
Staff insurance income	-	43,490	43,490	58,080
Wraparound care	603,347	-	603,347	438,526
Fundraising	69,630	-	69,630	78,838
School trips income	363,661	-	363,661	1,223,101
Other income	138,767	-	138,767	23,056
	<u>1,620,025</u>	<u>43,490</u>	<u>1,663,515</u>	<u>2,371,155</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Other investment income	1,592	26	1,618	6,401

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	31,298,094	-	4,479,605	35,777,699	33,086,791
- Allocated support costs	7,549,203	5,643,198	1,803,045	14,995,446	15,004,211
Teaching Schools					
- Direct costs	516,350	-	(2,542)	513,808	509,852
- Allocated support costs	102,142	1,456	602,340	705,938	460,604
	<u>39,465,789</u>	<u>5,644,654</u>	<u>6,882,448</u>	<u>51,992,891</u>	<u>49,061,458</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	39,800	37,550
- Other services	19,575	14,375
- Governance internal audit costs	-	3,500
- Taxation	550	500
Operating lease rentals	49,225	54,349
Depreciation of tangible fixed assets	30,513	25,133
Net interest on defined benefit pension liability	312,000	253,000

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 4.5% (2020 - 3.5%) and each secondary school pays a partnership contribution of 2.5%, capped at £160,000 (2020 - £150,000) of their 2020 to 2021 school budget share (excluding rates) element of General Annual Grant (GAG) funding. St Peter's Catholic Secondary School was capped at £150,000 and no amount was charged to St Edmund's Catholic Primary School or St Cuthbert Mayne Catholic Primary School.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2021	2020
	£	£
St Augustine's Catholic Primary School	73,660	52,826
St Alban's Catholic Primary School	60,075	40,746
St Anne's Catholic Primary School	72,906	58,462
St Charles Borromeo Catholic Primary and Nursery	38,674	28,131
Cardinal Newman Catholic Primary School	69,019	50,276
The Holy Family Catholic Primary School	40,109	28,829
St Hugh of Lincoln Primary School	37,219	28,089
Salesian School	160,000	150,000
St John the Baptist School	160,000	150,000
The Marist Catholic Primary School	71,984	52,785
St Cuthbert Mayne Catholic Primary School	-	24,569
St Thomas of Canterbury Catholic Primary School	55,164	52,844
St Polycarp's Catholic Primary School	53,459	51,496
St Peter's Catholic Secondary School	150,000	129,350
St Edmund's Catholic Primary School	-	-
Central Services	-	-
	<u>1,042,269</u>	<u>898,403</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	1,384,929	34,392,770	35,777,699	33,086,791
Teaching Schools	-	513,808	513,808	509,852
Support costs				
Educational operations	86,217	14,909,229	14,995,446	15,004,211
Teaching Schools	-	705,938	705,938	460,604
	<u>1,471,146</u>	<u>50,521,745</u>	<u>51,992,891</u>	<u>49,061,458</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities (Continued)

Analysis of costs	Teaching Schools £	Educational operations £	Total 2021 £	Total 2020 £
Direct costs				
Teaching and educational support staff costs	511,480	31,627,705	32,139,185	28,869,751
Staff development	1,785	190,967	192,752	115,640
Technology costs	-	934,146	934,146	710,143
Educational supplies and services	543	810,625	811,168	768,750
Examination fees	-	311,741	311,741	324,614
Educational consultancy	-	391,662	391,662	442,703
Other direct costs	-	1,510,853	1,510,853	2,365,042
	<u>513,808</u>	<u>35,777,699</u>	<u>36,291,507</u>	<u>33,596,643</u>
Support costs				
Support staff costs	102,142	7,549,203	7,651,345	7,731,472
Depreciation	-	30,513	30,513	25,133
Technology costs	7,363	437,013	444,376	895,043
Maintenance of premises and equipment	-	4,054,812	4,054,812	3,936,556
Cleaning	838	589,674	590,512	517,732
Energy costs	288	505,811	506,099	474,206
Rent, rates and other occupancy costs	205	284,338	284,543	291,415
Insurance	125	145,707	145,832	139,222
Security and transport	-	32,343	32,343	15,035
Finance costs	-	312,000	312,000	253,000
Legal costs	2,500	21,590	24,090	17,154
Other support costs	592,477	940,713	1,533,190	1,091,920
Governance costs	-	91,729	91,729	76,927
	<u>705,938</u>	<u>14,995,446</u>	<u>15,701,384</u>	<u>15,464,815</u>

10 Governance costs

Amounts included in support costs	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Legal costs	10,750	24,090	34,840	17,154
Auditor's remuneration				
- Audit of financial statements	39,800	-	39,800	37,550
- Other audit costs	20,125	-	20,125	18,375
Other governance costs	15,542	5,512	21,054	21,002
	<u>86,217</u>	<u>29,602</u>	<u>115,819</u>	<u>94,081</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	28,376,477	25,858,738
Social security costs	2,633,690	2,511,014
Pension costs	8,378,431	7,821,917
Staff costs - employees	39,388,598	36,191,669
Agency staff costs	54,640	140,955
Staff restructuring costs	9,669	16,302
	39,452,907	36,348,926
Staff development and other staff costs	530,375	367,937
Total staff expenditure	39,983,282	36,716,863

Staff restructuring costs comprise:

Severance payments	9,669	16,302
--------------------	-------	--------

Staff numbers

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

	2021 Number	2020 Number
Teachers	448	424
Administration and support	402	380
Management	23	20
	873	824

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

	2021 Number	2020 Number
Teachers	443	413
Administration and support	388	368
Management	23	20
	854	801

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

11 Staff

(Continued)

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	13	15
£70,001 - £80,000	12	7
£80,001 - £90,000	3	2
£90,001 - £100,000	1	2
£100,001 - £110,000	1	2
£110,001 - £120,000	1	-
£140,001 - £150,000	1	1

27 (2020 - 22) of the above employees participated in the Teachers Pension Scheme. During the period ended 31 August 2020, pension contributions for these staff amounted to £488,621 (2020 - £384,289).

Another 3 (2020 - 4) of the above employees participated in the Local Government Pension Scheme. During the period ended 31 August 2021, pension contributions for these staff amounted to £47,555 (2020 - £77,420).

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 £1,965,007 (2020 - £1,873,450).

12 Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2020 - none).

During the year, no Trustees received any benefits in kind (2020 - none).

During the year ended 31 August 2021, no expenses were paid to Trustees (2020 - £50 was reimbursed to one Trustee).

13 Trustees' 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 2021

14 Tangible fixed assets

	Freehold property	Leasehold property	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2020	430,000	492,000	94,105	31,556	74,877	1,122,538
Additions	-	-	-	-	26,295	26,295
At 31 August 2021	430,000	492,000	94,105	31,556	101,172	1,148,833
Depreciation						
At 1 September 2020	-	8,555	94,105	25,245	38,644	166,549
Charge for the year	-	3,968	-	6,311	20,235	30,514
At 31 August 2021	-	12,523	94,105	31,556	58,879	197,063
Net book value						
At 31 August 2021	430,000	479,477	-	-	42,293	951,770
At 31 August 2020	430,000	483,445	-	6,311	36,233	955,989

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 St Edmund's Catholic Primary School, 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.

The freehold land relates to land held at some of the schools within the Academy Trust and the leasehold land relates to playing fields acquired on conversion. The valuation used is that provided by ESFA, an external valuer or Surrey County Council.

15 Stocks

	2021	2020
	£	£
School Uniforms	11,691	12,160

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Debtors

	2021 £	2020 £
Trade debtors	71,232	172,339
VAT recoverable	266,254	421,835
Other debtors	421,294	491,203
Prepayments and accrued income	810,381	723,672
	<u>1,569,161</u>	<u>1,809,049</u>

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	46,643	46,643
Trade creditors	871,363	1,024,391
Other taxation and social security	663,969	607,259
Other creditors	769,002	707,885
Accruals and deferred income	1,890,567	1,892,826
	<u>4,241,544</u>	<u>4,279,004</u>

18 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans	178,249	224,892
	<u>178,249</u>	<u>224,892</u>

Analysis of loans

	2021 £	2020 £
Wholly repayable within five years	224,892	271,535
Less: included in current liabilities	(46,643)	(46,643)
Amounts included above	<u>178,249</u>	<u>224,892</u>

Loan maturity

Debt due in one year or less	46,643	46,643
Due in more than two years but not more than five years	178,249	186,572
Due in more than five years	-	38,320
	<u>224,892</u>	<u>271,535</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Creditors: amounts falling due after more than one year (Continued)

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.

Prior to conversion, two interest free Salix loans were provided to St Peter's Catholic School for £49,988 and £49,968. Two interest free Salix loans were provided to St Thomas of Canterbury Primary School for £29,098 and £4,090. These loans were provided to assist in upgrading internal LED lighting in the schools. The loans are repayable in bi-annual instalments over 8 years. The St Peter's loans are due to be repaid by 1 April 2025 and 1 April 2026 respectively. The St Thomas of Canterbury loans are due to be repaid by 1 October 2025.

19 Deferred income	2021	2020
	£	£
Deferred income is included within:		
Creditors due within one year	830,123	1,125,797
	<u>830,123</u>	<u>1,125,797</u>
Deferred income at 1 September 2020	1,125,797	791,539
Released from previous years	(1,125,797)	(791,539)
Resources deferred in the year	830,123	1,125,797
	<u>830,123</u>	<u>1,125,797</u>
Deferred income at 31 August 2021	<u>830,123</u>	<u>1,125,797</u>

Deferred income is made up of the following balances

	2021	2020
	£	£
Exclusion funding	-	53,554
Letting income	1,849	9,865
Rates relief	72,319	75,192
School fund income	151,640	180,133
Teaching school fees	18,800	78,712
Trip income	95,060	84,344
UIFSM	379,346	362,731
Teaching School Income	-	2,228
Maths Hub funding	65,457	181,165
Donations	-	5,000
16-19 Bursary	24,919	31,986
Wrap around care	18,499	39,767
Local learning	-	8,132
SEN Funding	-	12,988
Clubs income	337	-
Pupil premium	1,897	-
	<u>830,123</u>	<u>1,125,797</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	(133)	36,469,470	(36,116,624)	-	352,713
Start up grants	(5,317)	25,000	(25,661)	-	(5,978)
UIFSM	88,518	632,305	(607,059)	-	113,764
Pupil premium	(13,137)	593,497	(585,374)	-	(5,014)
Catch-up premium	-	578,344	(511,455)	-	66,889
Other DfE/ESFA COVID-19 funding	-	95,402	(95,402)	-	-
Coronavirus job retention scheme grant	-	23,181	(23,181)	-	-
Other Coronavirus funding	-	149,275	(149,275)	-	-
Other DfE/ESFA grants	241,885	2,946,061	(2,924,949)	(129,179)	133,818
Other government grants	-	2,356,376	(2,356,376)	-	-
Teaching Schools	509,830	1,336,507	(1,219,746)	-	626,591
Governors' funds	1,365,124	603,739	(251,217)	(95,000)	1,622,646
Other income	333,079	50,522	(50,522)	(333,079)	-
Other grants	566	-	-	-	566
Pension reserve	(17,185,000)	-	(2,818,000)	(3,224,000)	(23,227,000)
	<u>(14,664,585)</u>	<u>45,859,679</u>	<u>(47,734,841)</u>	<u>(3,781,258)</u>	<u>(20,321,005)</u>
Restricted fixed asset funds					
Inherited on conversion	923,724	-	(14,121)	-	909,603
DfE group capital grants	1,778,536	2,093,390	(1,787,368)	-	2,084,558
Other Grants	140,215	438,400	(492,055)	26,295	112,855
Other fixed assets	32,269	-	(16,270)	(26,295)	(10,296)
Other income	(53,974)	71,465	(681,227)	718,712	54,976
	<u>2,820,770</u>	<u>2,603,255</u>	<u>(2,991,041)</u>	<u>718,712</u>	<u>3,151,696</u>
Total restricted funds	<u>(11,843,815)</u>	<u>48,462,934</u>	<u>(50,725,882)</u>	<u>(3,062,546)</u>	<u>(17,169,309)</u>
Unrestricted funds					
General funds	2,573,265	1,497,436	(473,529)	(161,454)	3,435,718
School funds	761,994	1,042,116	(986,022)	-	818,088
	<u>3,335,259</u>	<u>2,539,552</u>	<u>(1,459,551)</u>	<u>(161,454)</u>	<u>4,253,806</u>
Total funds	<u>(8,508,556)</u>	<u>51,002,486</u>	<u>(52,185,433)</u>	<u>(3,224,000)</u>	<u>(12,915,503)</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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/ESFA 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 2021

20 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	(133)	32,718,788	(32,718,788)	-	(133)
Start up grants	20,103	-	(25,420)	-	(5,317)
UIFSM	10,074	615,206	(536,762)	-	88,518
Pupil premium	-	595,180	(608,317)	-	(13,137)
Other DfE/ESFA grants	165,856	2,791,229	(2,715,200)	-	241,885
Other government grants	-	2,296,435	(2,296,435)	-	-
Teaching Schools	340,412	1,139,874	(970,456)	-	509,830
Governors' funds	975,054	399,690	(9,620)	-	1,365,124
Other income	748,988	106,312	(106,312)	(415,909)	333,079
Other grants	566	-	-	-	566
Other restricted funds	-	113,916	(113,916)	-	-
Pension reserve	(10,302,000)	-	(5,155,000)	(1,728,000)	(17,185,000)
	<u>(8,041,080)</u>	<u>40,776,630</u>	<u>(45,256,226)</u>	<u>(2,143,909)</u>	<u>(14,664,585)</u>
Restricted fixed asset funds					
Transfer on conversion	707,845	230,000	(14,121)	-	923,724
DfE group capital grants	897,278	1,938,042	(1,056,784)	-	1,778,536
Other Grants	215,776	1,222,066	(1,297,627)	-	140,215
Other fixed assets	43,280	-	(11,011)	-	32,269
Other income	(97,652)	94,719	(466,950)	415,909	(53,974)
	<u>1,766,527</u>	<u>3,484,827</u>	<u>(2,846,493)</u>	<u>415,909</u>	<u>2,820,770</u>
Total restricted funds	<u>(6,274,553)</u>	<u>44,261,457</u>	<u>(48,102,719)</u>	<u>(1,728,000)</u>	<u>(11,843,815)</u>
Unrestricted funds					
General funds	2,136,343	1,850,199	(1,413,277)	-	2,573,265
School funds	711,358	1,910,243	(1,859,607)	-	761,994
	<u>2,847,701</u>	<u>3,760,442</u>	<u>(3,272,884)</u>	<u>-</u>	<u>3,335,259</u>
Total funds	<u>(3,426,852)</u>	<u>48,021,899</u>	<u>(51,375,603)</u>	<u>(1,728,000)</u>	<u>(8,508,556)</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Funds

(Continued)

Total funds analysis by academy

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
St Augustine's Catholic Primary School	261,518	151,383
St Alban's Catholic Primary School	393,660	476,527
St Anne's Catholic Primary School	520,177	382,485
St Charles Borromeo Catholic Primary and Nursery	312,426	296,497
Cardinal Newman Catholic Primary School	109,349	142,379
The Holy Family Catholic Primary School	115,898	97,175
St Hugh of Lincoln Primary School	285,443	232,406
Salesian School	2,414,289	1,987,453
St John the Baptist School	1,249,673	1,209,520
The Marist Catholic Primary School	96,807	102,419
St Cuthbert Mayne Catholic Primary School	24,313	(26,751)
St Thomas of Canterbury Catholic Primary School	56,953	85,096
St Polycarp's Catholic Primary School	231,250	252,283
St Peter's Catholic Secondary School	490,033	124,986
St Edmund's Catholic Primary School	183,239	-
Central Services	414,773	341,816
Total before fixed assets fund and pension reserve	7,159,801	5,855,674
Restricted fixed asset fund	3,151,696	2,820,770
Pension reserve	(23,227,000)	(17,185,000)
Total funds	(12,915,503)	(8,508,556)

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021	Total 2020
	£	£	£	£	£	£
St Augustine's Catholic Primary School	1,280,852	166,913	134,056	282,020	1,863,841	1,799,528
St Alban's Catholic Primary School	1,135,809	229,954	126,676	455,441	1,947,880	1,685,017
St Anne's Catholic Primary School	1,358,837	184,953	60,315	259,918	1,864,023	1,935,953
St Charles Borromeo Catholic Primary and Nursery	897,927	113,433	44,435	203,500	1,259,295	1,234,816
Cardinal Newman Catholic Primary School	1,316,981	184,599	125,049	274,803	1,901,432	1,828,401
The Holy Family Catholic Primary School	719,888	132,354	63,726	137,144	1,053,112	1,002,274
St Hugh of Lincoln Primary School	670,072	107,333	59,846	179,504	1,016,755	971,454
Salesian School	7,214,938	1,009,969	924,156	2,926,208	12,075,271	11,819,838
St John the Baptist School	6,322,702	1,127,146	526,201	1,641,091	9,617,140	9,465,573
The Marist Catholic Primary School	1,373,099	279,789	123,881	309,429	2,086,198	1,987,482
St Cuthbert Mayne Catholic Primary School	653,414	101,239	63,763	152,117	970,533	970,201
St Thomas of Canterbury Catholic Primary School	1,484,282	239,519	85,708	278,089	2,087,598	2,049,365
St Polycarp's Catholic Primary School	1,326,929	176,844	103,625	363,744	1,971,142	1,583,139
St Peter's Catholic Secondary School	5,107,633	586,991	500,525	870,404	7,065,553	6,429,957
St Edmund's Catholic Primary School	315,104	38,875	23,232	(72,547)	304,664	-
Central Services	643,960	779,566	71,280	757,672	2,252,478	1,318,558
	<u>31,822,427</u>	<u>5,459,477</u>	<u>3,036,474</u>	<u>9,018,537</u>	<u>49,336,915</u>	<u>46,081,556</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	951,770	951,770
Current assets	4,579,102	7,000,492	2,199,926	13,779,520
Creditors falling due within one year	(267,047)	(3,974,497)	-	(4,241,544)
Creditors falling due after one year	(58,249)	(120,000)	-	(178,249)
Defined benefit pension liability	-	(23,227,000)	-	(23,227,000)
Total net assets	4,253,806	(20,321,005)	3,151,696	(12,915,503)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	955,989	955,989
Current assets	3,741,939	6,617,631	1,864,781	12,224,351
Creditors falling due within one year	(331,788)	(3,947,216)	-	(4,279,004)
Creditors falling due after one year	(74,892)	(150,000)	-	(224,892)
Defined benefit pension liability	-	(17,185,000)	-	(17,185,000)
Total net assets	3,335,259	(14,664,585)	2,820,770	(8,508,556)

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 2019.

Contributions amounting to £647,173 were payable to the schemes at 31 August 2021 (2020: £656,851) 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £4,542,851 (2020: £4,115,867).

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% for employees. The estimated value of employer contributions for the forthcoming year is £1,751,000.

As described in note 31 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.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Pension and similar obligations	(Continued)	
Total contributions made	2021	2020
	£	£
Employer's contributions	1,724,000	1,545,000
Employees' contributions	516,000	484,000
Total contributions	2,240,000	2,029,000
Principal actuarial assumptions	2021	2020
	%	%
Rate of increase in salaries	3.80	3.1
Rate of increase for pensions in payment/inflation	2.90	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021	2020
	Years	Years
Retiring today		
- Males	22.3	22.1
- Females	24.7	24.3
Retiring in 20 years		
- Males	23.4	22.9
- Females	26.4	25.7

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 2021:	Approximate % increase to Employers Liability	Approximate monetary amount (£'000)
0.1% decrease in real discount rate	2%	1,014
1 year increase in member like expectancy	4%	1,842
0.1% increase in the Salary Increase Rate	0%	64
0.1% increase in Pension Increase Rate	2%	935

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme

	2021 Fair value £	2020 Fair value £
Equities	17,121,750	11,788,560
Bonds	3,652,640	2,783,410
Property	1,598,030	1,309,840
Other assets	456,580	491,190
Total market value of assets	<u>22,829,000</u>	<u>16,373,000</u>

The actual return on scheme assets was £3,958,000 (2020: £(1,165,000)).

Amount recognised in the Statement of Financial Activities

	2021 £	2020 £
Current service cost	3,895,000	3,686,000
Interest income	(299,000)	(296,000)
Interest cost	611,000	549,000
Total operating charge	<u>4,207,000</u>	<u>3,939,000</u>

Changes in the present value of defined benefit obligations

	2021 £
At 1 September 2020	
Transferred in on existing academies joining the academy trust	33,558,000
Current service cost	812,000
Interest cost	3,895,000
Employee contributions	611,000
Actuarial loss	516,000
Benefits paid	6,883,000
	(219,000)
At 31 August 2021	<u>46,056,000</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

22	Pension and similar obligations	(Continued)	
	Changes in the fair value of the academy trust's share of scheme assets		2021
			£
	At 1 September 2020		16,373,000
	Transferred in on existing academies joining the academy trust		477,000
	Interest income		299,000
	Actuarial (gain)/loss		3,659,000
	Employer contributions		1,724,000
	Employee contributions		516,000
	Benefits paid		(219,000)
			<u>22,829,000</u>
	At 31 August 2021		<u>22,829,000</u>
			<u>23,227,000</u>
23	Reconciliation of net expenditure to net cash flow from operating activities		
		2021	2020
		£	£
	Net expenditure for the reporting period (as per the statement of financial activities)	(1,182,947)	(3,353,704)
	Adjusted for:		
	Net deficit on conversion to academy	192,542	1,970,228
	Capital grants from DfE and other capital income	(2,531,790)	(3,192,277)
	Investment income receivable	(1,618)	(6,401)
	Defined benefit pension costs less contributions payable	2,171,000	2,141,000
	Defined benefit pension scheme finance cost	312,000	253,000
	Depreciation of tangible fixed assets	30,514	25,133
	Decrease/(increase) in stocks	469	(2,372)
	Decrease/(increase) in debtors	239,888	(670,380)
	(Decrease)/increase in creditors	(37,460)	883,514
	Stocks, debtors and creditors transferred on conversion	-	(121,930)
		<u>(807,402)</u>	<u>(2,074,189)</u>
	Net cash used in operating activities		

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

24 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	Other non- cash changes £	31 August 2021 £
Cash	10,403,142	1,795,526	-	12,198,668
Loans falling due within one year	(46,643)	46,643	(46,643)	(46,643)
Loans falling due after more than one year	(224,892)	-	46,643	(178,249)
	<u>10,131,607</u>	<u>1,842,169</u>	<u>-</u>	<u>11,973,776</u>

25 Long-term commitments, including operating leases

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

	2021 £	2020 £
Amounts due within one year	54,622	51,281
Amounts due in two and five years	85,390	74,812
	<u>140,012</u>	<u>126,093</u>

26 Capital commitments

At 31 August 2021 there was a capital commitment of £936,760 (2020 - £775,945) for extension to buildings.

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

27 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the 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 previous year a governor on the local governing committee at Salesian School designed poster and wall art for the school. The school paid £1,185 for these services. The services were procured in accordance with the Trusts procurement policy. There were no further payments made in this year.

Religious Education courses and a school Chaplaincy course were provided by the Diocese of Arundel □ Brighton to a number of schools within the Trust. The total paid to the Diocese in the year in respect of these courses was £760 (2020 - £705). The services were procured in accordance with the Trust procurement policy.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

28 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.

29 Agency arrangements

The academy distributes SCITT bursary funds to student teachers as an agent for TRA. During the accounting period ending 31 August 2021 the trust received £1,166,800 (2020 - £956,200) and disbursed £1,166,800 (2020 - £956,200).

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

30 Teaching Schools trading account

	2021		2020	
	£	£	£	£
Direct income				
Fee income		383,011		317,658
Other income		953,496		822,216
		<u>1,336,507</u>		<u>1,139,874</u>
Total income		1,336,507		1,139,874
Direct costs				
Direct staff costs	511,480		464,115	
Educational supplies and services	543		1,146	
Staff development	1,785		8,591	
Educational consultancy	-		36,000	
	<u>513,808</u>		<u>509,852</u>	
Other costs				
Support staff costs	102,142		107,004	
Technology costs	7,363		5,293	
Maintenance of premises and equipment	-		1,561	
Cleaning	838		-	
Energy costs	288		493	
Rent and rates	205		-	
Insurance	125		125	
Other support costs	592,477		345,128	
Share of governance costs	2,500		1,000	
	<u>705,938</u>		<u>460,604</u>	
Total operating costs		(1,219,746)		(970,456)
Surplus from teaching schools		116,761		169,418
Teaching Schools balances at 1 September 2020		<u>509,830</u>		<u>340,412</u>
Teaching Schools balances at 31 August 2021		<u>626,591</u>		<u>509,830</u>

XAVIER CATHOLIC EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

31 Conversion to an academy

On 1 April 2021 St Edmund's 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 Surry 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 charitable activities – 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 Edmund's Catholic Primary School	Godalming	1 April 2021	

	Unrestricted	Restricted funds:		Total 2021 £
	funds £	General £	Fixed asset £	
Net assets transferred:				
Cash	11,595	130,863	-	142,458
Pension scheme deficit	-	(335,000)	-	(335,000)
	<u>11,595</u>	<u>(204,137)</u>	<u>-</u>	<u>(192,542)</u>

	Unrestricted	Restricted funds:		Total 2021 £
	funds £	General £	Fixed asset £	
Funds surplus/(deficit) transferred:				
LA budget funds	11,595	-	-	11,595
LGPS pension funds	-	(335,000)	-	(335,000)
Other funds	-	130,863	-	130,863
	<u>11,595</u>	<u>(204,137)</u>	<u>-</u>	<u>(192,542)</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 the transferred school.