

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

**CONTENTS**

---

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements	26 - 59

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

**REFERENCE AND ADMINISTRATIVE DETAILS**

---

<b>Members</b>	Dr D Hoyle MA PhD, Dean of Bristol (resigned 31 October 2019) Mr S R Parsons LIB MBE DL Mr C Martin Prof W J Browne
<b>Trustees</b>	Mr S P Atkinson Mr N Blundell, Executive Principal <sup>1,2,3</sup> Ms N Boyce <sup>2</sup> Dr D M Hoyle MA PhD, Dean of Bristol (resigned 31 October 2019) <sup>1</sup> Mrs M Ipinson-Fleming <sup>2</sup> Mr M D Lea FCA <sup>3</sup> Mr S R Parsons LIB MBE DL, Chair <sup>1,2,3</sup> Ms S L Yates (resigned 25 February 2019) <sup>1,3</sup> Ms C A Galliers (appointed 4 December 2018) <sup>1</sup>  <sup>1</sup> Educational Standards and Performance Committee <sup>2</sup> Human Resources Committee <sup>3</sup> Finance, Risk and Audit Committee
<b>Company registered number</b>	06516626
<b>Company name</b>	Cathedral Schools Trust
<b>Principal and registered office</b>	College Square Bristol BS1 5TS
<b>Accounting Officer</b>	Mr N Blundell
<b>Senior leadership team</b>	Mr P Atkins, Headteacher of Bristol Cathedral Choir School Mr N Bailey, Headteacher of Victoria Park Primary School Ms M Fredrickson, Headteacher of Headley Park Primary School Mr J Humphreys, Headteacher of St Katherine's School Ms A Lambert, Headteacher of Stoke Park Primary School (appointed 1 September 2019) Mr G Simons, Headteacher of Stoke Park Primary School (resigned 31 August 2019) Mrs S Yarnold, Headteacher of Cathedral Primary School Mr S Eakins, Trust Finance Director Mrs A R Williams, Trust Operations Manager Mr E Bailey, Principal Designate of Trinity Academy Mr J Lacey, Primary Lead
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Bankers**

Allied Irish Bank  
19 Whiteladies Road  
Clifton  
Bristol  
BS8 1PB

Barclays Bank PLC  
Bristol Broadmead  
Bristol Banking  
Leicester  
LE87 2BB

Lloyds Bank Plc  
Sedgemoor House  
Deane Gate Avenue  
Taunton  
TA1 2UF

**Solicitors**

Veale Wasborough Vizards  
Narrow Quay House  
Narrow Quay  
Bristol  
BS1 4QA

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

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 4 primary and 2 secondary academies in Bristol. Its academies have a combined pupil capacity of 3,520 and had a roll of 3,239 in the school census in the autumn 2019 census.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Cathedral Schools Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' liability**

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

**Trustees' Indemnities**

The Trust is part of the government's risk protection arrangement (RPA) for academy trusts which is an alternative to insurance where UK government funds cover losses that arise. The RPS provides cover for any member of an academy trust, a director/trustee of an academy trust or a person that sits on a local governing body. The RPA's administrator's limit of liability in respect of each academy is £10,000,000 for each and every loss and shall be the maximum aggregate liability of the RPA administrator from all losses from an academy whose academy trust is a member during any one membership year. It is expected that all schools that join the Trust will join the RPA.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

The Articles of Association adopted 29 February 2016 state that the number of Trustees shall be at least 3 but is not subject to a maximum. Other than the Dean of Bristol Cathedral and the Executive Principal who are Trustees acting ex officio, all other Trustees are either appointed by Members or co-opted by Trustees who were not themselves co-opted. Trustees are subject to retirement by rotation. Trustees are eligible for re-election at the meeting at which they retire. The Trustees to retire are those who have served the longest in office since their appointment or re-election. The term of office for any Trustee is 4 years, although this time limit does not apply to the Executive Principal or to the Dean of Bristol Cathedral.

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

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

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Trustees will be given a tour of the schools where practical and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there will normally only be two or three new Trustees a year, induction will be done informally and will be tailored specifically to the individual. Mentoring of new Trustees will also be offered, as appropriate, during the first year following appointment.

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Organisational Structure**

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

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

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

The Articles include the provision that there will be a minimum of 3 Trustees and that the proportion of Trustees who are Academy Trust employees must not exceed one third. The number of Trustees is not subject to a maximum.

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

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

There are 3 committees as follows;

- Finance, Audit and Risk - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Educational Standards - this meets once a term to monitor, evaluate and review Trust policy, practice and performance in relation to curriculum planning and delivery, target setting and assessment, examinations and all pastoral issues.
- Human Resources - this meets once a term to consider, determine and review any strategies and policies for human resources and organisational development. It also reviews the framework or policy for remuneration of staff including senior executives.

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

- Headteacher
- At least 1 elected Parent

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

- Up to 2 elected Staff (one Teaching/one Non-Teaching)
- Local Governors

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

The Executive Principal is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The setting of pay and remuneration for all key management excluding the Executive Principal and Heads of School is delegated by the Trustees to the Senior Leadership Team (SLT). Previously all job roles at the Trust had been assigned a pay scale spanning, typically, 5 pay scale points. In setting the pay and remuneration for key management personnel in the period, the SLT took into account the assumed pay scale for the role, the advertised salary for similar roles in the market place and the pay policy. All staff, including key management personnel, engage annually in a process of Performance Management overseen by the SLT, to determine whether it is appropriate, where applicable, for progression to the next scale point. The Executive Principal's salary for the year ended 31 August 2019 was consistent with the historically set pay grade banding for the role of Executive Principal and was approved directly by the Trustees who Performance Manage the Executive Principal.

**Connected Organisations, including Related Party Relationships**

The Academy Trust leased land and buildings at a peppercorn rent from Bristol Cathedral School (BCS) and also provided administrative assistance to BCS. Two Trustees acted for both the Trust and BCS during the period (S Parsons and M Lea). BCS was an independent school that previously occupied the site that Bristol Cathedral Choir School now occupies. BCS is a registered charity and is in the process of being wound up.

Bristol Cathedral is a related party. The Academy Trust leases buildings from Bristol Cathedral at an agreed rent of £239,470 in 2018/19, which is subject to an annual increase in line with CPI. There are also smaller transactions between the two parties during the year including for provision of gas by the Cathedral and a recharge of musician costs. Three of the Trustees are also related parties of Bristol Cathedral; the Dean is the Dean of Bristol Cathedral, Mr S Parsons is a member of the Chapter of Bristol Cathedral and Mr S Parsons and Mr M Lea are Directors of Bristol Cathedral Trust.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

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

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Objectives, Strategies and Activities**

Trustees have set a clear vision for the growth of the Cathedral Schools Trust in line with the following guidelines:

- Made up of a broad and diverse range of schools to include primary and secondary and culturally and socio-economically diverse schools, to become a mixed MAT.
- Working towards a critical mass of approximately 5-10,000 children within a local catchment area of greater Bristol.
- Ensuring that in the first instance, we grow through strong partnerships, generating high aspirations for all pupils, especially the disadvantaged, and building on the existing success of the founding schools and the Teaching School Alliance.
- Allowing each school appropriate earned autonomy and individuality, with high levels of trust and collaboration between schools. Understanding the drivers which led us to develop the trust and ensuring that other schools retain their identity but are committed to meaningful collaboration and using the trust to create new opportunities for both children and staff.
- Ensuring staff and children fulfil their potential and all are valued and nurtured.
- We are committed to creative, aspirant, innovative thought and action, rooted in evidence and action research.

Within the trust, our expectation is for all schools to be committed to:

- The spirit of co-creation.
- Sharing best practice and contributing to school improvement in all schools across the trust and within the teaching school alliance.
- Appreciation of the importance of music and the co-curricular entitlement for all children.
- Sharing strengths to raise aspirations and deepen the learning experience for all children within the trust.

Our expectation is for every pupil to have:

- An outstanding, inspiring classroom experience.
- An education tolerant of other world views and interpretations.
- Access to enrichment opportunities in particular around music.

In turn our expectation is for staff to be:

- Recognised and valued.
- Constantly seeking to improve and give their best.
- Provided with opportunities for learning, career development and opportunities for progression across the trust and the wider education system.
- Listened to with good communication across all levels of the organisation
- Encouraged to try new ideas and to innovate

During the 2018/19 academic year we set clear targets around the following priority areas :

1. School improvement/pupil outcomes at primary and secondary
2. Strategic growth
3. Trust structures and operations including income generation
4. Teaching School
5. Trinity Academy
6. People development

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Public Benefit**

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

**STRATEGIC REPORT**

**Achievements and Performance**

A summary of the performance for schools in the trust is below:

	EYFS GLD	Phonics Screening Y1	KS2	KS2 combined scores (National average: [ ]%)
Headley Park Primary School	80% (79%)	79% (77%)	Reading 68% (61%)	63% (57%)
			Writing 73% (75%)	
			Maths 78% (88%)	
Victoria Park Primary School	75% (77%)	93% (92%)	Reading 75% (92%)	71% (80%)
			Writing 81% (83%)	
			Maths 75% (80%)	
Cathedral Primary School	73% (63%)	80% (83%)	No data yet available	No data yet available
Stoke Park Primary School	67% (47%)	81% (69%)	Reading 57% (68%)	51% (64%)
			Writing 66% (82%)	
			Maths 63% (77%)	

**KS4 and KS5**

Bristol Cathedral Choir School ("BCCS") had another successful year with some strong results. At A-level, 69% (2018: 57%) of students achieved A\*-B which makes BCCS one of the highest performing state-funded sixth forms in the region with the progress being Sig+. At GCSE progress was again strong and broadly in line with results from last year. St Katherine's overall results were broadly average and similar to last year. However outcomes for students from disadvantaged backgrounds and those with high prior attainment improved dramatically.

**GCSE results**

	BCCS	SKA
9-7	38%	24%
9-5	73%	54%
9-5 Eng and Maths	57%	40%
Progress 8 (Indicative only)	0.35	0

**16-19 progress and A Level results (Prior year figures in brackets)**

	BCCS	SKA
A*-A	37% (27%)	15% (28%)
A*-B	69% (57%)	29% (61%)
A*-C	87% (87%)	64% (81%)
A*-E	99% (100%)	94% (100%)

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review £1,389,302 was carried forward representing 10.7% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2019 were 3,239, an increase of 1,175 over 2018. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of total income (excluding restricted fixed assets and pension reserve). For 2019 this was 74.3%, compared to 75.6% in 2018.

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

- Signing of the funding agreement for CST Trinity Academy which opened successfully on 1 September 2019, with all 120 places filled and a resulting waiting list;
- Strong performance in terms of academic achievement and progress in most schools;
- Successful integration of St Katherine's School and Stoke Park Primary School who joined us on 1 January 2019 and 1 June 2019 respectively;
- Awarded £859,736 of Condition Improvement Fund grants for our schools, meaning we have been able to address significant issues across our Estate;
- Continued development of the Teaching School working with a number of schools through the Strategic School improvement Fund (SSIF) led by Bristol City Council;
- Generating an appropriate reserve position slightly exceeding the targets set by trustees.

**Going Concern**

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

**FINANCIAL REVIEW**

**Financial Review**

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2019, the Academy received total income of £32,360,000, of which £14,879,305 relates to donated assets and assets donated on conversion, and incurred total expenditure of £17,329,293. The Trust's restricted funds and unrestricted funds (excluding fixed assets, pension reserve and assets bought in on conversion) generated a combined surplus for the year of £555,319 (2018: £132,383).

At 31 August 2019 the net book value of fixed assets was £39,755,136 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets of St Katherine's School and Stoke Park Primary School were transferred to the Trust upon joining. Land and buildings were professionally valued at £13,012,052. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former schools' budget share £307,295 was transferred across on conversion. £213,555 of

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

this is shown as restricted funds, with the balance being accounted for as unrestricted funds.

The Trust has taken on the deficits in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

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

**Reserves Policy**

The Trustees review annually the reserves policy and the level of reserves of the Trust. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of reserves which are not invested in tangible fixed assets or held back to meet the LGPS liability should be equivalent to one month's total expenditure, being estimated as between £1.2m and £1.3m. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

At 31 August 2019, such reserves totalled £1,389,302 (2018: £526,689).

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

**Investment Policy**

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

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

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

**Principal Risks And Uncertainties**

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

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

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

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

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

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

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

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

Whilst the Trust's schools are oversubscribed risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

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

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 27 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**FUNDRAISING**

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

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

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**PLANS FOR FUTURE PERIODS**

The Trust's key aims are:

- to grow the multi-academy trust to circa 5,000-10,000 students to include a mixture of primary and secondary academies;
- to ensure that Trinity Academy has a successful first year and is full for 2020/21;
- to develop our capacity for improving teaching, learning and outcomes across all schools and through the development of lead practitioners.
- to build on the Trust's reputation in music to establish BCCS and the wider Trust as a centre of musical excellence for the people of Bristol and the surrounding area;
- to continue to improve the Trust's infrastructure and operations including implementation of a new system for HR and payroll;
- to make available to pupils from a wide variety of backgrounds and abilities the opportunities the Trust has to offer; and
- to maintain and improve the Trust's academic achievement as measured by external public examinations and related data.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

The Cathedral Schools Trust is an equal opportunities employer. We value diversity and welcome applications from people of all backgrounds. We particularly welcome applications from sections of the community which are currently under represented across the Trust, including applicants with disabilities.

The following principles are encompassed within our recruitment policy:

- Providing equality of opportunity for all and ensuring that all stages of recruitment and selection are fair;
- Data relating to Equality and Diversity, captured as part of the application process, is removed and does not form part of our selection process;
- The job description and person specification are essential tools and will be used throughout the process;
- Applicants will be recruited on the basis of the way in which they can demonstrate the knowledge, experience and skills needed for the post;
- Selection will be carried out by a panel with at least two members, but preferably three. At least one panel member will have received appropriate training of safer recruitment;
- Selection will be based on a minimum of a completed application form, a shortlisting process and interview; and
- Under the terms of the Equality Act 2010 there is a requirement to make reasonable adjustment to the recruitment process if an applicant makes the employer aware that they have a disability. This applies to the entire recruitment process, from advertisement to appointment.

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

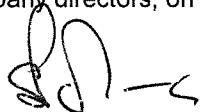
**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**AUDITORS**

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

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

A handwritten signature in black ink, appearing to be 'S R Parsons', with a horizontal line extending to the right.

Mr S R Parsons LIB MBE DL  
Chair of Trustees

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

**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

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

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

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr S R Parsons LIB MBE DL, Chair	6	6
Mr M D Lea FCA	4	6
Mrs M Ipinson-Fleming	3	6
Dr D M Hoyle MA PhD, Dean of Bristol	2	6
Mr S P Atkinson	6	6
Ms S L Yates	2	3
Mr N Blundell, Executive Principal	6	6
Ms N Boyce	5	6

C Galliers, an experienced former Primary Head, was appointed on 4 December 2018 as a part of the review of the skills of the existing Trustees where it previously highlighted a need for a Trustee with Primary experience. The composition of the Board is reviewed each year on an ongoing basis to ensure that the Board covers a broad set of skills.

The Finance, Risk and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to act with specific financial oversight of the Trust including the review of financial information and oversee the budget and forecast planning as well as to consider the annual report and meet with the auditors as well as review the Trust's risk register.

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Mr M D Lea, Chair	4	4
Ms S L Yates	0	3
Mr N Blundell	4	4
Mr S R Parsons LIB MBE DL	4	4
Mr W Harding	1	2
Mr A Wright	3	4

W Harding and A Wright were appointed during the year as part of the review of the skills within the sub-committee.

**GOVERNANCE STATEMENT (CONTINUED)**

---

**REVIEW OF VALUE FOR MONEY**

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

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

- Robust financial governance and budget management
- Value for money purchasing including the outsourcing of the catering function at St Katherine's
- Completion of Integrated Curriculum Financial Planning across the Trust to identify potential savings as well as benchmarking key information provided by the ESFA; and
- Continue to develop additional income streams through the Teaching School.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

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

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (CONTINUED)**

---

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance, Risk and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr M Lea, a Trustee, to carry out a programme of internal checks.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank account reconciliations

On a termly basis, the reviewer reports to the Board of Trustees through the Finance, Risk and Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

During the year the Finance, Risk and Audit Committee reviewed the arrangements for the internal review and concluded that we needed to appoint an internal auditor for 2019/20. A tender process began and Audit West was appointed.

No significant matters were found from these reviews.

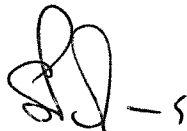
**REVIEW OF EFFECTIVENESS**

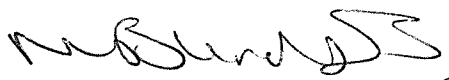
As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on their behalf by:

  
Stephen Parsons  
Chair of Trustees

  
Neil Blundell  
Accounting Officer

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As Accounting Officer of Cathedral Schools Trust I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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

Neil Blundell  
Accounting Officer  
Date: 12 December 2019



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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


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

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on its behalf by:



Mr S R Parsons LIB MBE DL  
Chair of Trustees

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

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

---

**OPINION**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

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

---

**OTHER INFORMATION**

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

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

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

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

---

**RESPONSIBILITIES OF TRUSTEES**

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

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

**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**USE OF OUR REPORT**

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



Joseph Scaife FCA DChA (Senior statutory auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date: 18/12/19

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

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

---

In accordance with the terms of our engagement letter dated 22 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cathedral Schools Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Cathedral Schools Trust's funding agreement with the Secretary of State for Education dated 28 January 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

---

**CONCLUSION**

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

*Bishop Fleming LLP*

**Joseph Scaife FCA DChA (Reporting Accountant)**

**Bishop Fleming LLP**

16 Queen Square

Bristol

BS1 4NT

Date: *18/12/19*

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>						
	3					
Transfer from local authority on conversion		147,998	(240,000)	1,585,937	1,493,935	-
Transfer from another academy trust		(54,258)	(2,194,445)	11,616,710	9,368,007	-
Other donations/capital grants		-	393,632	5,491,791	5,885,423	721,501
Charitable activities	4	282,460	15,000,606	-	15,283,066	10,793,080
Teaching schools		-	46,000	-	46,000	56,000
Other trading activities	5	280,815	-	-	280,815	174,514
Investments	6	2,754	-	-	2,754	754
<b>TOTAL INCOME</b>		<b>659,769</b>	<b>13,005,793</b>	<b>18,694,438</b>	<b>32,360,000</b>	<b>11,745,849</b>
<b>EXPENDITURE ON:</b>						
Charitable activities	7	480,258	15,593,269	1,160,977	17,234,504	12,137,597
Teaching schools		-	94,789	-	94,789	43,879
Other expenditure		-	-	-	-	-
<b>TOTAL EXPENDITURE</b>		<b>480,258</b>	<b>15,688,058</b>	<b>1,160,977</b>	<b>17,329,293</b>	<b>12,181,476</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>179,511</b>	<b>(2,682,265)</b>	<b>17,533,461</b>	<b>15,030,707</b>	<b>(435,627)</b>
Transfers between funds	18	-	108,367	(108,367)	-	-
<b>Net movement in funds</b>		<b>179,511</b>	<b>(2,573,898)</b>	<b>17,425,094</b>	<b>15,030,707</b>	<b>(435,627)</b>
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial losses on pension schemes	27	-	(1,270,000)	-	(1,270,000)	(520,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>179,511</b>	<b>(3,843,898)</b>	<b>17,425,094</b>	<b>13,760,707</b>	<b>(955,627)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		483,527	(2,884,838)	22,941,260	20,539,949	21,495,576
Net movement in funds		179,511	(3,843,898)	17,425,094	13,760,707	(955,627)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>663,038</b>	<b>(6,728,736)</b>	<b>40,366,354</b>	<b>34,300,656</b>	<b>20,539,949</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.  
The notes on pages 27 to 59 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	13	39,755,136	22,846,475
		<u>39,755,136</u>	<u>22,846,475</u>
<b>CURRENT ASSETS</b>			
Debtors	14	1,746,835	937,003
Cash at bank and in hand		2,275,637	1,307,646
		<u>4,022,472</u>	<u>2,244,649</u>
Creditors: amounts falling due within one year	15	(2,021,952)	(1,602,425)
<b>NET CURRENT ASSETS</b>		<u>2,000,520</u>	<u>642,224</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>41,755,656</u>	<u>23,488,699</u>
Creditors: amounts falling due after more than one year	16	-	(20,750)
Defined benefit pension scheme liability	27	(7,455,000)	(2,928,000)
<b>TOTAL NET ASSETS</b>		<u><u>34,300,656</u></u>	<u><u>20,539,949</u></u>
<b>FUNDS OF THE TRUST</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	40,366,354	22,941,260
Restricted income funds	18	726,264	43,162
		<u>41,092,618</u>	<u>22,984,422</u>
Restricted funds excluding pension asset	18	41,092,618	22,984,422
Pension reserve	18	(7,455,000)	(2,928,000)
<b>Total restricted funds</b>	18	<u>33,637,618</u>	<u>20,056,422</u>
<b>Unrestricted income funds</b>	18	<u>663,038</u>	<u>483,527</u>
<b>TOTAL FUNDS</b>		<u><u>34,300,656</u></u>	<u><u>20,539,949</u></u>

The financial statements on pages 23 to 59 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf, by:

Mr S R Parsons LIB MBE DL  
Chair of Trustees



The notes on pages 26 to 59 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash provided by operating activities	20	<b>293,814</b>	792,516
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	22	<b>343,161</b>	(120,076)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	21	<b>331,016</b>	-
		<hr/>	<hr/>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<b>967,991</b>	672,440
Cash and cash equivalents at the beginning of the year		<b>1,307,646</b>	635,206
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	23	<b>2,275,637</b>	1,307,646
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 26 to 59 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Trust have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cathedral Schools Trust meets the definition of a public benefit entity under FRS 102.

**1.2 GOING CONCERN**

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

**1.3 INCOME**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

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

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

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

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**1. ACCOUNTING POLICIES (continued)**

**1.5 TANGIBLE FIXED ASSETS (CONTINUED)**

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

Longhold leasehold land and buildings	- Over the period of the lease or 50 years whichever is shorter
Furniture, fixtures and equipment	- Over 5 years
Motor vehicles	- Over 4 years
ICT equipment	- Over 3 years
Minor building works	- Over 10 years (with the exception of works related to temporarily accomodating CPS which are depreciated over 3 years)

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

**1.6 OPERATING LEASES**

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

**1.7 DEBTORS**

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

**1.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.'

**1.9 LIABILITIES**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. 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. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

1.11 TAXATION

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

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

1.12 PENSIONS

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**1. ACCOUNTING POLICIES (continued)**

**1.13 CONVERSION TO AN ACADEMY TRUST**

The conversion from a state maintained school to a 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 [name of predecessor school] to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in 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 24.

**1.14 AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable applications of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at the period end are disclosed in note 28.

**1.15 FUND ACCOUNTING**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

---

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

The Trust 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>DONATIONS</b>				
Transfer from local authority on conversion	147,998	1,001,937	<b>1,149,935</b>	-
Transfer from another academy trust	(54,258)	9,766,265	<b>9,712,007</b>	-
	<u>93,740</u>	<u>10,768,202</u>	<u><b>10,861,942</b></u>	<u>-</u>
Donations	-	4,695,388	<b>4,695,388</b>	317,610
Capital Grants	-	1,190,035	<b>1,190,035</b>	403,891
	<u>-</u>	<u>5,885,423</u>	<u><b>5,885,423</b></u>	<u>721,501</u>
	<u>93,740</u>	<u>16,653,625</u>	<u><b>16,747,365</b></u>	<u>721,501</u>
<b>TOTAL 2018</b>	<u><u>764</u></u>	<u><u>720,737</u></u>	<u><u>721,501</u></u>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. FUNDING FOR THE TRUST'S EDUCATIONAL ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DFE/ESFA GRANTS</b>				
General Annual Grant	-	12,469,583	<b>12,469,583</b>	8,813,324
Start up Grants	-	27,375	<b>27,375</b>	42,000
Other DfE Group Grants	-	1,721,276	<b>1,721,276</b>	1,256,386
	-	14,218,234	<b>14,218,234</b>	10,111,710
<b>Other Government Grants</b>				
High Needs	-	206,486	<b>206,486</b>	153,465
Other government grants non capital	-	575,886	<b>575,886</b>	218,602
	-	782,372	<b>782,372</b>	372,067
<b>Other funding</b>				
Sales to students	70,695	-	<b>70,695</b>	148,771
Other	211,765	-	<b>211,765</b>	160,532
	282,460	15,000,606	<b>15,283,066</b>	10,793,080
<b>TOTAL 2018</b>	<b>309,303</b>	<b>10,483,777</b>	<b>10,793,080</b>	

**5. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	81,961	<b>81,961</b>	58,648
External Catering	98,191	<b>98,191</b>	24,644
Consultancy	5,000	<b>5,000</b>	12,931
Fees received	59,450	<b>59,450</b>	46,438
Other	36,213	<b>36,213</b>	31,853
	280,815	<b>280,815</b>	174,514

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**6. INVESTMENT INCOME**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Bank interest	2,754	<b>2,754</b>	754

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Education	12,821,166	4,413,338	<b>17,234,504</b>	12,137,597
<b>TOTAL 2018</b>	<b>8,571,669</b>	<b>3,565,928</b>	<b>12,137,597</b>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension finance cost	<b>132,000</b>	68,000
Staff costs	<b>9,969,479</b>	6,728,321
Depreciation	<b>997,426</b>	621,000
Educational supplies	<b>317,891</b>	248,804
Examination fees	<b>188,151</b>	88,963
Staff development	<b>50,126</b>	14,417
Other costs	<b>139,876</b>	102,324
Agency staff	<b>263,044</b>	231,604
Trip expenditure	<b>311,600</b>	152,211
Maintenance of premises and equipment	<b>108,262</b>	46,821
Security and transport	<b>70,451</b>	53,282
Technology costs	<b>247,211</b>	165,335
Office overheads	<b>25,649</b>	50,587
	<b>12,821,166</b>	8,571,669

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of support costs**

	Total funds 2019 £	Total funds 2018 £
Staff costs	1,792,664	1,503,071
Depreciation	163,551	135,963
Staff development	10,902	29,577
Other costs	441	136
Agency staff	18,470	20,746
Recruitment and support	46,484	39,956
Maintenance of premises and equipment	316,963	315,657
Cleaning	242,576	129,475
Rent and rates	447,695	437,891
Energy costs	254,666	131,287
Insurance	75,349	86,731
Security and transport	64,103	55,195
Catering	394,083	317,037
Technology costs	8,618	27,611
Office overheads	111,092	56,098
Legal and professional	200,147	114,051
Bank interest and charges	7,554	6,106
Governance	26,449	21,234
Educational consultancy	231,531	138,106
	<u>4,413,338</u>	<u>3,565,928</u>

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	349,607	320,687
Depreciation of tangible fixed assets	1,160,977	756,963
Fees paid to auditors for:		
- audit	<u>15,000</u>	<u>14,250</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**9. STAFF COSTS**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	8,872,370	6,301,339
Social security costs	849,285	579,091
Pension costs	2,040,488	1,350,962
	<u>11,762,143</u>	<u>8,231,392</u>
Agency staff costs	281,514	252,350
Teaching school staff costs	80,142	38,102
	<u>12,123,799</u>	<u>8,521,844</u>

**b. STAFF NUMBERS**

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

	2019 No.	2018 No.
Teachers	154	118
Educational Support	102	133
Administration and Clerical	85	60
Management	23	21
	<u>364</u>	<u>332</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	135	98
Educational Support	70	73
Administration and Clerical	45	39
Management	23	19
	<u>273</u>	<u>229</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**9. STAFF COSTS (CONTINUED)**

**c. HIGHER PAID STAFF**

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

	<b>2019 No.</b>	<b>2018 No.</b>
In the band £60,001 - £70,000	<b>2</b>	<b>2</b>
In the band £70,001 - £80,000	<b>3</b>	<b>2</b>
In the band £80,001 - £90,000	<b>2</b>	<b>1</b>
In the band £110,001 - £120,000	<b>-</b>	<b>1</b>
In the band £120,001 - £130,000	<b>1</b>	<b>-</b>
	<b>=====</b>	<b>=====</b>

**d. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Trust comprise the Trustees and those serving the Academy Trust as Principals and Heads of Schools during the year. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £825,976 (2018: £687,470).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**10. CENTRAL SERVICES**

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

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

The Trust charges for these services on the following basis:

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

During the year the Trust charged the Academies the following percentage of their GAG income: Bristol Cathedral Choir School - 12%, Cathedral Primary School - 11%, St Katherine's School - 4%, all other schools were charged 5%. Academies are charged based on the services they require from the Trust. The Trust plans to reduce the top slice paid by Bristol Cathedral Choir School and Cathedral Primary School as the Trust grows.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Bristol Cathedral Choir School	595,051	566,221
Cathedral Primary School	154,160	126,898
Headley Park Primary School	100,234	82,922
Victoria Park Primary School	98,742	83,694
St Katherine's School	158,752	-
Stoke Park Primary School	11,470	-
<b>TOTAL</b>	<b>1,118,409</b>	<b>859,735</b>

**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Executive Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows: N Blundell £120,000 - £125,000 (2018: £115,000 - £120,000), Employer's pension contributions £20,000 - £25,000 (2018: £15,000 - £20,000).

During the year ended 31 August 2019, no Trustee expenses have been reimbursed (2018 - £2,303).

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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

**13. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Minor building works £	Furniture and equipment £	ICT equipment £	Motor vehicles £	Total £
<b>COST</b>						
At 1 September 2018	24,882,633	934,544	982,314	1,714,202	17,415	28,531,108
Additions	4,119,793	541,218	77,982	127,998	-	4,866,991
Transfers between classes	13,012,052	-	119,093	71,503	-	13,202,648
At 31 August 2019	42,014,478	1,475,762	1,179,389	1,913,703	17,415	46,600,747
<b>DEPRECIATION</b>						
At 1 September 2018	2,979,355	328,247	819,524	1,540,092	17,415	5,684,633
Charge for the year	757,845	142,512	79,994	180,627	-	1,160,978
At 31 August 2019	3,737,200	470,759	899,518	1,720,719	17,415	6,845,611
<b>NET BOOK VALUE</b>						
At 31 August 2019	38,277,278	1,005,003	279,871	192,984	-	39,755,136
At 31 August 2018	21,903,278	606,297	162,790	174,110	-	22,846,475

**14. DEBTORS**

	2019 £	2018 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	25,500	59,331
Other debtors	382,647	119,938
Prepayments and accrued income	1,338,688	757,734
	1,746,835	937,003

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade creditors	805,571	417,311
Other taxation and social security	433,216	140,071
Other creditors	319,744	263,076
Accruals and deferred income	463,421	781,967
	<u>2,021,952</u>	<u>1,602,425</u>
	2019 £	2018 £
Deferred income at 1 September 2018	332,731	162,142
Resources deferred during the year	260,291	332,731
Amounts released from previous periods	(332,731)	(162,142)
	<u>260,291</u>	<u>332,731</u>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £	2018 £
Accruals and deferred income	-	20,750

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**17. FINANCIAL INSTRUMENTS**

	2019 £	2018 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at amortised cost	2,275,637	1,969,482
Financial assets that are debt instruments measured at amortised cost	1,077,543	-
	<u>3,353,180</u>	<u>1,969,482</u>
	2019 £	2018 £
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(1,328,245)</u>	<u>(939,871)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade creditors and accruals.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>UNRESTRICTED FUNDS</b>						
General funds	<b>483,527</b>	<b>659,769</b>	<b>(480,258)</b>	-	-	<b>663,038</b>
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	-	13,022,628	(12,417,599)	102,740	-	707,769
Pupil Premium	-	554,354	(554,354)	-	-	-
UIFSM	-	277,806	(277,806)	-	-	-
High Needs funding	-	206,486	(206,486)	-	-	-
Donations	-	91,022	(91,022)	-	-	-
Other local authority	-	575,886	(575,886)	-	-	-
Start up grant	-	27,375	(27,375)	-	-	-
Other DfE/ESFA funding	-	182,639	(182,639)	-	-	-
PE sports grant	-	56,950	(56,950)	-	-	-
Project development grant	-	210,000	(191,505)	-	-	18,495
Educational visits	-	308,978	(308,978)	-	-	-
Year 7 catch up grant	-	22,366	(22,366)	-	-	-
Teaching school grant	43,162	46,000	(94,789)	5,627	-	-
Rates relief	-	71,303	(71,303)	-	-	-
Pension reserve	(2,928,000)	(2,648,000)	(609,000)	-	(1,270,000)	(7,455,000)
	<b>(2,884,838)</b>	<b>13,005,793</b>	<b>(15,688,058)</b>	<b>108,367</b>	<b>(1,270,000)</b>	<b>(6,728,736)</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Private sector capital sponsorship	11,661,127	4,017,363	(489,440)	-	-	15,189,050
Fixed assets transferred on conversion	10,403,972	13,202,647	(214,521)	-	-	23,392,098
Fixed assets purchased from GAG and other restricted funds	185,915	-	(68,616)	-	-	117,299
DfE/ESFA Capital grants	690,246	1,474,428	(388,400)	(108,367)	-	1,667,907
	<u>22,941,260</u>	<u>18,694,438</u>	<u>(1,160,977)</u>	<u>(108,367)</u>	<u>-</u>	<u>40,366,354</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>20,056,422</u>	<u>31,700,231</u>	<u>(16,849,035)</u>	<u>-</u>	<u>(1,270,000)</u>	<u>33,637,618</u>
<b>TOTAL FUNDS</b>	<u>20,539,949</u>	<u>32,360,000</u>	<u>(17,329,293)</u>	<u>-</u>	<u>(1,270,000)</u>	<u>34,300,656</u>

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

**Restricted Funds**

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

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

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

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

Donations represent amounts received in the year for specific purposes.

**18. STATEMENT OF FUNDS (CONTINUED)**

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

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

Conditional Improvement Fund represents funding received by the Trust for a kitchen upgrade at Bristol Cathedral Choir School and essential roofing refurbishment at Headley Park Primary School. The difference between the fixed asset register and the restricted fixed asset funds represents unspent CIF money which has been carried forward as the work will be completed in the following academic year.

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

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

Project development grant is funding received for the pre-opening phase of Trinity Academy which is opening in September 2019.

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

Year 7 Catch Up grant is funding received from the ESFA to support year 7 pupils who did not achieve the expected standard in reading or maths at the end of key stage 2.

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

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

**Restricted Fixed Asset Funds**

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

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

DfE / ESFA Capital grants represents Devolved Formula Capital and CIF income received from the ESFA spent on fixed assets.

Fixed assets purchased from GAG and other restricted funds represents fixed assets that have been purchased out of General Annual Grant income as well as some other donations including one from The Wolfson Foundation.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. STATEMENT OF FUNDS (CONTINUED)**

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Bristol Cathedral Choir School	-	(213,725)
Cathedral Primary School	357,701	336,302
Headley Park Primary School	67,714	(7,880)
Victoria Park Primary School	452,096	410,779
St Katherine's School	261,518	-
Stoke Park Primary School	150,180	-
Central Services	100,093	1,213
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,389,302	526,689
Restricted fixed asset fund	40,366,354	22,941,260
Pension reserve	(7,455,000)	(2,928,000)
	<hr/>	<hr/>
<b>TOTAL</b>	<b>34,300,656</b>	<b>20,539,949</b>
	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. STATEMENT OF FUNDS (CONTINUED)**

**TOTAL COST ANALYSIS BY ACADEMY**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Bristol Cathedral Choir School	3,968,693	410,119	134,849	1,577,312	<b>6,090,973</b>	4,992,526
Cathedral Primary School	1,150,682	90,118	46,541	410,637	<b>1,697,978</b>	1,256,137
Headley Park Primary School	1,677,285	239,997	30,498	274,370	<b>2,222,150</b>	2,066,823
Victoria Park Primary School	1,516,914	240,175	71,921	323,758	<b>2,152,768</b>	1,948,211
St Katherine's School	2,355,146	279,650	27,081	550,599	<b>3,212,476</b>	-
Stoke Park Primary School	237,269	26,270	2,291	66,908	<b>332,738</b>	-
Central Services	603,675	587,806	4,710	486,730	<b>1,682,921</b>	1,160,816
<b>TRUST</b>	<b>11,509,664</b>	<b>1,874,135</b>	<b>317,891</b>	<b>3,690,314</b>	<b>17,392,004</b>	<b>11,424,513</b>

Included in the fund balance above for the Central Services is £18,495 of unspent Project Development Grant relating to the pre-opening period for Trinity Academy. This will transfer to Trinity Academy during 2019/20.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. STATEMENT OF FUNDS (CONTINUED)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	695,915	485,335	(697,723)	-	-	483,527
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	(375,813)	8,813,324	(8,399,968)	(37,543)	-	-
Pupil Premium	-	408,367	(408,367)	-	-	-
UIFSM	-	193,391	(193,391)	-	-	-
High Needs funding	-	153,465	(153,465)	-	-	-
Donations	-	58,117	(58,117)	-	-	-
Other local authority	-	218,602	(218,602)	-	-	-
Start up grant	-	42,000	(42,000)	-	-	-
Condition Improvement Funding	-	163,104	(163,104)	-	-	-
Other DfE/ESFA grants	-	326,264	(326,264)	-	-	-
PE Sports Grant	-	56,290	(56,290)	-	-	-
Project development grant	-	60,000	(60,000)	-	-	-
Educational visits	-	193,373	(193,373)	-	-	-
Year 7 catch up grant	-	4,983	(4,983)	-	-	-
Teaching school grant	31,041	56,000	(43,879)	-	-	43,162
Rates relief	-	43,987	(43,987)	-	-	-
Pension reserve	(2,047,000)	-	(361,000)	-	(520,000)	(2,928,000)
	<u>(2,391,772)</u>	<u>10,791,267</u>	<u>(10,726,790)</u>	<u>(37,543)</u>	<u>(520,000)</u>	<u>(2,884,838)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Private sector capital sponsorship	11,899,722	65,356	(303,951)	-	-	11,661,127
Fixed assets transferred on conversion	10,610,240	-	(206,268)	-	-	10,403,972
Fixed assets purchased from GAG and other restricted funds	200,729	-	(52,357)	37,543	-	185,915
DfE/ESFA Capital grants	480,742	403,891	(194,387)	-	-	690,246
	<u>23,191,433</u>	<u>469,247</u>	<u>(756,963)</u>	<u>37,543</u>	<u>-</u>	<u>22,941,260</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>20,799,661</u>	<u>11,260,514</u>	<u>(11,483,753)</u>	<u>-</u>	<u>(520,000)</u>	<u>20,056,422</u>
<b>TOTAL FUNDS</b>	<u>21,495,576</u>	<u>11,745,849</u>	<u>(12,181,476)</u>	<u>-</u>	<u>(520,000)</u>	<u>20,539,949</u>

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	39,755,136	<b>39,755,136</b>
Current assets	863,151	2,548,103	611,218	<b>4,022,472</b>
Creditors due within one year	(200,113)	(1,821,839)	-	<b>(2,021,952)</b>
Pension scheme liability	-	(7,455,000)	-	<b>(7,455,000)</b>
<b>TOTAL</b>	<u>663,038</u>	<u>(6,728,736)</u>	<u>40,366,354</u>	<u><b>34,300,656</b></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	22,846,475	22,846,475
Current assets	483,527	1,666,337	94,785	2,244,649
Creditors due within one year	-	(1,602,425)	-	(1,602,425)
Creditors due in more than one year	-	(20,750)	-	(20,750)
Pension scheme liability	-	(2,928,000)	-	(2,928,000)
<b>TOTAL</b>	<b>483,527</b>	<b>(2,884,838)</b>	<b>22,941,260</b>	<b>20,539,949</b>

**20. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	<b>15,030,707</b>	(435,627)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	<b>1,160,978</b>	756,963
Interest receivable	<b>(2,754)</b>	(754)
(Increase)/decrease in debtors	<b>(742,622)</b>	166,300
Increase in creditors	<b>307,845</b>	348,525
Capital grants from DfE and other capital income	<b>(1,190,035)</b>	(403,891)
Defined benefit pension scheme cost less contributions payable	<b>477,000</b>	275,000
Defined benefit pension scheme finance cost	<b>132,000</b>	86,000
Net assets received from transfer of schools into the Trust	<b>(10,861,942)</b>	-
Donated asset	<b>(4,017,363)</b>	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>293,814</b>	792,516

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**21. CASH FLOWS FROM FINANCING ACTIVITIES**

	2019 £	2018 £
Cash transferred on conversion to the Trust	331,016	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>331,016</b>	<b>-</b>

**22. CASH FLOWS FROM INVESTING ACTIVITIES**

	2019 £	2018 £
Interest received	2,754	754
Purchase of tangible fixed assets	(849,628)	(524,721)
Capital grants from DfE Group	1,190,035	403,891
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>343,161</b>	<b>(120,076)</b>

**23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash in hand	2,275,637	1,307,646
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>2,275,637</b>	<b>1,307,646</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**24. CONVERSION TO AN ACADEMY TRUST**

On 1 June 2019 Stoke Park Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cathedral Schools Trust from Bristol City Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>TANGIBLE FIXED ASSETS</b>				
Leasehold land and buildings	-	-	1,585,937	<b>1,585,937</b>
Budget surplus/(deficit) on school funds	147,998	-	-	<b>147,998</b>
LGPS pension deficit	-	(240,000)	-	<b>(240,000)</b>
<b>NET ASSETS/(LIABILITIES)</b>	<u>147,998</u>	<u>(240,000)</u>	<u>1,585,937</u>	<u><b>1,493,935</b></u>

The above net assets include £147,998 that was transferred as cash.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**25. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST**

**St Katherine's School**

	Value reported by transferring trust £	Transfer in recognised £
<b>TANGIBLE FIXED ASSETS</b>		
Long-term leasehold property	11,426,115	11,426,115
Furniture and equipment	119,093	119,093
Computer equipment	71,503	71,503
<b>CURRENT ASSETS</b>		
Debtors due within one year	67,210	67,210
Cash at bank and in hand	183,018	183,018
<b>LIABILITIES</b>		
Creditors due within one year	(90,932)	(90,932)
<b>PENSIONS</b>		
Pension scheme liabilities	(2,408,000)	(2,408,000)
<b>NET ASSETS</b>	<u>9,368,007</u>	<u>9,368,007</u>

**26. CAPITAL COMMITMENTS**

At 31 August 2019 the Trust had capital commitments as follows:

	2019 £	2018 £
<b>CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS</b>		
CIF projects in progress	<u>408,619</u>	<u>-</u>

**27. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £221,008 were payable to the schemes at 31 August 2019 (2018 - £126,814) and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

---

**27. PENSION COMMITMENTS (CONTINUED)**

**TEACHERS' PENSION SCHEME**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**VALUATION OF THE TEACHERS' PENSION SCHEME**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education 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 £218,000 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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 is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £713,700 (2018 - £527,045).

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**27. PENSION COMMITMENTS (CONTINUED)**

**LOCAL GOVERNMENT PENSION SCHEME**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £725,000 (2018 - £515,000), of which employer's contributions totalled £561,000 (2018 - £393,000) and employees' contributions totalled £ 164,000 (2018 - £122,000). The agreed contribution rates for future years are 20.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Discount rate for scheme liabilities	<b>1.9</b>	2.8
Rate of increase in salaries	<b>3.65</b>	3.6
Rate of increase for pensions in payment / inflation	<b>2.15</b>	2.2
Inflation assumption (CPI)	<b>2.15</b>	2.1

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>22.4</b>	23.6
Females	<b>24.5</b>	26.1
<i>Retiring in 20 years</i>		
Males	<b>23.2</b>	26.2
Females	<b>25.9</b>	28.8

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>(301)</b>	(70)
Mortality assumption - 1 year increase	<b>335</b>	57
CPI rate +0.1%	<b>253</b>	4

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**27. PENSION COMMITMENTS (CONTINUED)**

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,391,000	1,362,000
Gilts	641,000	-
Bonds	629,000	829,000
Property	526,000	322,000
Cash and other liquid assets	114,000	132,000
Other	1,418,000	825,000
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>5,719,000</b>	<b>3,470,000</b>

The actual return on scheme assets was £121,000 (2018 - £167,000).

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

	2019 £	2018 £
Current service cost	(867,000)	(686,000)
Past service cost	(171,000)	-
Interest cost	(118,000)	(68,000)
Administrative expenses	(14,000)	(10,000)
<b>Actual return on scheme assets</b>	<b>(1,170,000)</b>	<b>(764,000)</b>

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

	2019 £	2018 £
<b>Opening defined benefit obligation</b>	<b>6,495,000</b>	<b>4,872,000</b>
Transferred in on conversion	4,054,000	-
Current service cost	867,000	686,000
Interest cost	248,000	154,000
Employee contributions	164,000	122,000
Actuarial (gains) / losses	1,261,000	428,000
Benefits paid	(86,000)	(28,000)
Other movements	-	261,000
Past service cost	171,000	-
<b>Closing defined benefit obligation</b>	<b>13,174,000</b>	<b>6,495,000</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**27. PENSION COMMITMENTS (CONTINUED)**

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

	2019 £	2018 £
<b>Opening fair value of scheme assets</b>	<b>3,567,000</b>	2,825,000
Transferred in on conversion	<b>1,406,000</b>	-
Interest income	<b>130,000</b>	78,000
Actuarial losses	<b>(9,000)</b>	(92,000)
Employer contributions	<b>561,000</b>	393,000
Employee contributions	<b>164,000</b>	122,000
Benefits paid	<b>(86,000)</b>	(28,000)
Administrative expenses	<b>(14,000)</b>	(10,000)
Other movements	-	279,000
<b>Closing fair value of scheme assets</b>	<b>5,719,000</b>	3,567,000

**28. OPERATING LEASE COMMITMENTS**

Land and buildings leased from Bristol Cathedral are accounted for as an operating lease with a 75 year lease from 1 September 2008. As at 31 August 2019, there will be 64 years remaining on the lease at an annual cost of £232,590. (reviewed annually in line with CPI).

The library is leased from Bristol City Council and accounted for as an operating lease with a 125 year lease from 13 November 2015. The annual cost of this is £66,000.

In addition to the above, at 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	<b>39,790</b>	34,548
Later than 1 year and not later than 5 years	<b>41,157</b>	69,193
	<b>80,947</b>	103,741

**29. MEMBERS' LIABILITY**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

---

**30. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the requirements of the Academy's Financial Handbook and with the Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

**Bristol Cathedral**

The Trust leases buildings from Bristol Cathedral and is also charged by the Cathedral for gas supplied to the buildings. Total purchases from Bristol Cathedral during the year amounted to £409,603 (2018: £246,345). The rent is subject to an annual increase in line with CPI. The balance owed at the year end to Bristol Cathedral was £74,562 (2018: £41,500). The Trust also made sales to Bristol Cathedral during the year of £1,468 for the use of facilities owned by the Trust.

**Garage Gospel and UK Churches**

During the year to 31 August 2019, Garage Gospels (UK Churches) invoiced the Trust a net amount of £800 (2018: £2,050) for the provision of rehearsals for the Trust's Gospel Choir. Ms M Ipinson-Fleming, a Trustee, is a co-owner of both Garage Gospel and UK Churches. The transactions were at arm's length.

**Bristol Zoo**

During the year schools within the Trust made purchases from Bristol Zoo for routine school trip visits. Total purchases during the year were £2,549, no balance was due at year end. Mr M Lea, a Trustee, is also a director of Bristol Zoo.

**Bristol Old Vic**

During the year schools within the Trust made purchases from Bristol Old Vic for routine school trip visits. Total purchases during the year were £3,952, no balance was due at year end. Mr M Lea, a Trustee, is also a director of Bristol Old Vic.

**31. POST BALANCE SHEET EVENTS**

On 1 September 2019 Trinity Academy was opened, a brand new free school for 11-18 year olds and became the 7th school within the Trust. The school is in temporary accommodation on the site of Stoke Park Primary School while it awaits the completion of its brand new building on the same site, which it is due to occupy from September 2021.

**32. AGENCY ARRANGEMENTS**

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2019 the Trust received £19,057 (2018: £14,321) and disbursed £20,513 (2018: £9,222) from the fund. An amount of £5,528 (2018: £6,354) is included in other creditors relating to the undistributed funds that is repayable to the ESFA.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**33. TEACHING SCHOOL TRADING ACCOUNT**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
<b>DIRECT INCOME</b>				
Grants	46,000		56,000	
<b>TOTAL INCOME</b>		46,000		56,000
<b>Expenditure</b>				
<b>DIRECT EXPENDITURE</b>				
Direct staff costs	80,142		38,102	
Other costs	905		4,962	
<b>TOTAL DIRECT EXPENDITURE</b>	81,047		43,064	
<b>OTHER EXPENDITURE</b>				
Support costs	13,742		815	
<b>TOTAL EXPENDITURE</b>		94,789		43,879
Transfers between funds excluding depreciation		5,627		-
<b>(Deficit)/surplus from all sources</b>		(43,162)		12,121
Teaching school balances at 1 September 2018		43,162		31,041
<b>TEACHING SCHOOL BALANCES AT 31 AUGUST 2019</b>		-		43,162