

Registered number: 01961978  
Charity number: 293360

**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
**(formerly St. Edwards School Cheltenham Trust)**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
**(A Company Limited by Guarantee)**

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**FOR THE PERIOD ENDED 31 AUGUST 2021**

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**LEGAL AND ADMINISTRATIVE INFORMATION**  
**FOR THE PERIOD ENDED 31 AUGUST 2021**

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**TRUSTEES**

The Trustees who served the charity during the period were as follows:

Dr S Honeywill (Chair of Trustees)  
Mr A Newland (Deputy Chair) (resigned 11 February 2022)  
Mrs C Findlay (resigned 11 February 2022)  
Mr P Potts  
Mrs J Jones  
Ms J Penny (resigned 11 February 2022)  
Dr A Cooper (resigned 10 February 2022)

**CLERK TO THE TRUSTEES**

Z Drew

**OFFICERS**

Mr M Burke (Principal of Senior School)  
Mr P Fathers (Head of Prep School)  
Mr M L Coles (Bursar)

**COMPANY NUMBER**

01961978

**CHARITY NUMBER**

293360

**REGISTERED AND PRINCIPLE OFFICE**

Cirencester Road  
Charlton Kings  
Cheltenham  
GL53 8EY

**INDEPENDENT AUDITOR**

Crowe U.K. LLP  
4<sup>th</sup> Floor  
St James House  
St James Square  
Cheltenham  
GL50 3PR

**BANKER**

HSBC PLC  
109 Bath Road  
Cheltenham  
GL54 7RA

**SOLICITOR**

Harrison Clark Rickerbys  
Ellenborough House  
Wellington Street  
Cheltenham  
GL50 1YD

**TRUSTEES ANNUAL REPORT**  
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**DIRECTORS' REPORT**

**CONSTITUTION AND OBJECTS**

St Edward's School Cheltenham Trust was founded in 1987. The School changed its name to Gloucestershire Catholic Educational Trust Ltd in February 2022. It is a company limited by guarantee (number 01961978); a charity registered with the Charity Commission (number 293360) and is regulated by its Memorandum and Articles of Association dated 5 December 2012 and 3 December 2014, with amendments on 1<sup>st</sup> April 2016, 10<sup>th</sup> November 2016.

The Trustees of St Edward's School Cheltenham Trust ("The Trust") present their annual report and audited accounts for the year ended 31 August 2021 and confirm they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102).

The Trust's Objects and principal activities, as set out in the Memorandum of Association (as amended by Special Resolution on 21 February 2022), are to promote and provide for such charitable works whosoever and whatsoever as to advance the Roman Catholic religion, and, in particular but without prejudice to the generality of the foregoing to acquire, provide, conduct and develop an independent Roman Catholic School or Schools for the advancement of the education of children of any creed (with preference to children of the Roman Catholic faith) PROVIDED THAT in the memorandum the expression "Roman Catholic" shall indicate communion with the "See of Rome".

In furtherance to these Objects for the public benefit the Trust, which operated two schools until 16 February 2022 (one Senior and one Preparatory) known collectively as St Edward's Cheltenham, has established and administers bursaries, grants, awards and other benefactions, and acts as the Trustee and manager of property, endowments, bequests and gifts given or established in pursuance of these Objects.

**AIMS AND OBJECTIVES**

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's public benefit guidance.

**Aims**

The Trust's aims for the public benefit to 16 February 2022 were:

- to provide a first class independent education within a Christian ethos. St Edward's is a Roman Catholic foundation and warmly welcomes students of other denominations and creeds or none, who are willing to support the Christian ethos of the Schools;
- to offer pupils a range of opportunities so that they can achieve to the best of their ability within a framework of shared values and standards;
- to value and nurture pupils as individuals, giving them a sense of their own self-worth and of the value of service to others, thus preparing them for life beyond school; and
- to establish the Schools as a community in which there are strong and active partnerships between parents and the Schools and between the local community and the Schools.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011.

**Primary Objectives**

The primary objectives of the Trust to fulfil these aims were:

1. to maintain the aspiration of high standards in academic performance and extra-curricular activities whilst preserving a healthy balance between the two;

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2. to widen access to the education provided by the Trust through the provision of financial support for children whose parents are unable to afford the full fees and also through a range of projects and activities in the local community;
3. to provide appropriate teaching resources throughout the Schools;
4. to provide an effective management structure and the administrative and logistic framework necessary to meet the needs of staff and pupils alike;
5. to provide an environment which promotes and develops independent learning and supports pupils in the achievement of their individual potential.

The primary objectives were reviewed regularly and their success is measured through regular reporting to Trustees by the Senior Management Team.

The primary aim of the Trust going forward is to promote and provide for such charitable works to advance the Roman Catholic religion and in particular to advance Roman Catholic independent education for the public benefit in or near Cheltenham. This is predominately to be in the form of financial assistance with school fees, such as means tested bursaries and scholarships or other school related materials.

#### **GOVERNANCE AND MANAGEMENT**

There was one Board of Trustees for the two Schools through to 16 February 2022. Details of the members of the Board of Trustees, together with officers and principal advisers, are given on page one.

There were seven members of the Board of Trustees at the year-end. The numbers in brackets refer to the sub-committees which each Trustee is a member of as explained below.

Dr S Honeywill (1,2,3,4)

Mr A Newland (1,3, Chair of Health and Safety & Finance and General Purposes committees)

Mr P Potts (2, Chair of Land and Premises committee)

Mrs C Findlay (1)

Mrs J Jones (3, Chair of Education and Ethos committee)

Mrs J Penny (1)

Dr R Cooper

Fr P O'Keeffe O Carm. Ex-Officio

The following Trustees' sub-committees met during the year:

1. Finance and General Purposes committee
2. Land and Premises committee
3. Health and Safety committee
4. Education and Ethos committee

The Trustees were legally responsible for the overall management and control of both Schools up to 16 February 2022. They met at least four times a year. The work of implementing the policies was delegated to the following committees, which have since been dissolved;

- The Finance and General Purposes Committee (F&GPC) scrutinises the management accounts and forecasts throughout the year and makes recommendations to the Board about any capital expenditure. They recommend the audited financial statements and annual report for approval by the Trustees. They also oversaw other matters such as the review of school fees, insurance, pay, marketing and staffing. The Finance Committee is chaired by Mr Andrew Newland.
- The Health and Safety Committee oversees all matters relating to Health and Safety and Safeguarding. These include safeguarding policies, staff code of conduct, pupil behaviour, e-safety, information technology, data protection, cybersecurity and review of and implementation of recommendations from Health and Safety and Fire Safety audits. It is chaired by Mr Andrew Newland.

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- The Education and Ethos Committee oversees all matters relating to the pastoral and academic issues across both schools, including provision for individual learning needs, able, gifted and talented students, those with English as an additional language and overseas students. The Committee also ensures that the Catholic Foundation of the Trust is reflected in the curriculum. The Education and Ethos Committee is chaired by Mrs Jane Jones.
- The Land and Premises committee provided oversight of the programme of maintenance work for the schools premises, accessibility arrangements for pupils and visitors and makes recommendations for capital expenditure on larger projects. The committee is chaired by Mr Paul Potts.

The day to day running of the Schools was delegated to the Heads and Bursar, supported by their Senior Management Teams and a Joint Management Committee. The Heads and Bursar attend board and committee meetings of the Trustees. The day to day running of the Trust from 16 February 2022 will be carried out by the Trustees.

### **Recruitment and Training of Trustees**

New Trustees are elected on the basis of nominations from the Trustees based on the candidates' professional qualities, experience, personal competence and local availability.

The Trustees attended 4 training courses through the course of the year to ensure that they stay up to date on current Governance and compliance issues. A budget is set aside every year to support the continued professional development of the Trustees.

### **Employment policy**

The Trust endeavoured to recruit the most suitable staff for any post to ensure the highest standards were maintained throughout the Schools, within both teaching and support staff. Whilst reflecting its role as a Catholic school it also pursues policies as an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs.

### **Key Management Personnel**

The Trustees consider that the Joint Management Committee (JMC) of The Trust comprised the Key Management Personnel up to 16 February 2022 when the Schools joined the Alpha Schools Group. The JMC comprises of the Head Teacher of the Senior School, the Head Teacher of the Preparatory School, the Deputy Head Teachers of the Senior School, the Deputy Head and Assistant Head of the Preparatory School, the Bursar and the Director of Marketing & Admissions.

Trustees give their time freely and do not receive any remuneration. The pay and remuneration of the JMC was determined by the Finance and General Purposes Committee and is reviewed annually. A number of criteria are used in determining pay:

- The financial performance of the Trust against sector benchmarks
- The nature of the role and responsibilities
- The individual's performance
- Competitor salaries
- The sector average for comparable positions
- Inflation and the cost of living

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of Gloucestershire Catholic Educational Trust Ltd for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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 the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees at the date of approval of this report is aware, there is no relevant audit information of which the Trust's auditor is unaware. Each of the Trustees have each taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

**STRATEGIC REPORT**

**VISION STATEMENT**

**Believe.....Strive.....Achieve**

St Edward's was a Catholic School, welcoming all. We were a place of learning and a community based on Christian values. We worked in partnership with parents to develop the talents and interests of all the young people entrusted to us. We aimed to develop each individual pupil's potential, academically, personally and spiritually. We served the wider community by making this education available to all, including those who could not afford our fees, as far as we were able within our resources.

**Our Vision.....*what we Believe in*.....**

Our vision is to help each pupil to realise they are truly unique and possess God-given gifts and talents which gives them unlimited potential. We wish to create an educational foundation whereby throughout their lives pupils will always be ambitious for self-improvement and so develop beyond their perceived potential. The Trust will do this going forwards by providing bursary assistance to parents who would not otherwise be able to afford independent school fees.

**Our Vision.....*what we Strive for*.....**

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The Trust's vision was to:

- Provide excellent teaching, learning and pastoral care
- Provide a wealth of opportunities both curricular and extra-curricular
- Build a caring community based on Christian values
- Encourage pupils to be the best they can be so that we help them to develop their untapped potential

Going forward the Trust's vision is to broaden opportunities to families who would otherwise not be able to afford independent Catholic education in the Cheltenham area.

### **ACHIEVEMENTS AND PERFORMANCE**

St Edward's has embarked upon a relationship with High Performance Learning which is helping to embed our aims and objectives both inside and outside the classroom. Centred around 30 core values and attributes it allowed our students to appreciate and understand success both inside and outside the classroom, encompassing all aspects of school life and encouraging them to set high expectations of themselves. On the sporting and creative front we participated in events organised by CISC (Catholic Independent Schools Council) and ISA (Independent Schools Association) achieving success at regional and national level. Our CCF (Combined Cadet Force) continued to flourish with two Cadets being made Lord Lieutenants Cadets for this calendar year. Although examinations have not taken place our students in Year 11 and Upper Sixth have secured excellent results in public qualifications enabling them to successfully move onto the next stage of their studies. Within the Prep school significant numbers continue to transfer to the senior school as well as those who pass 11+ and go on to attend local grammar schools.

The school continued to build on its relationship with the Clifton Diocese with students and children supporting initiatives within the Diocese as well as staff attending and contributing to events. The Head of the Senior School is also now on the National Committee for CISC.

A programme of refurbishment has commenced and although this has been disrupted due to various COVID restrictions it has meant areas in both senior and prep have been redecorated, the Sixth Form centre has been refurbished and the farm in the prep school has also been enhanced.

### **FUNDRAISING**

Due to Covid restrictions, our ability to run charitable fundraising events was again impacted. However, over the course of the year, the Trust still ran around 7 different fundraising events across the two schools which raised a total of £5k for local and national charities. The Trust values the fundraising and awareness work it does for other charities and plans to continue its strong programme of support going forward.

The Trust did not use any professional fundraising partners in the year as all fundraising activities were small scale focusing on raising funds for other charities from the schools' communities. Neither the Trust nor anyone acting on behalf of the Trust has voluntarily subscribed to fundraising standards. No complaints were received in the year about any of the Trust's fundraising activities. The Trust ensures that vulnerable people and other members of the public are protected from behaviour which is unreasonably intrusive, persistent and pressured. The Trust does not consider this type of behaviour a high-risk area but will continue to monitor fundraising activities.

### **PUBLIC BENEFIT**

St Edward's School remains committed to the aim of providing public benefit in accordance with its founding principles. The Trustees continue to consider the Charity Commission's general guidance on public benefit and confirm that they have complied with their duty in Section 17 of the Charities Act 2011.

The Trust fulfils its obligations under this Act through the availability of bursaries and scholarships.



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### **Bursaries and Scholarships**

The value of means tested bursaries totalled £429k (*£423k in 2020*) and the value of scholarships totalled £364k (*£524k in 2020*) representing a combined 10.3% of gross fees (*11.5% in 2020*). A further £401k (*£458k in 2020*) from gross fees was awarded through staff, sibling and fees in advance discounts. A total of 46 children (*55 in 2020*) benefited from the Trust's means tested bursary scheme with 7 of these children in receipt of 100% bursaries as part of the Trust's School Assisted Place Scheme (SAPS) between Year 7 and Year 13. The Trust has expanded its means tested bursary scheme in recent years and remains committed to providing suitable access to the Schools to a wide range of socio-economic groups.

### **Fee affordability**

The fee structure is an area that Trustees continue to review to ensure that it remains an attractive and affordable option for local families whilst continuing to support the bursary schemes and capital development programmes. Regulatory pressures and the increasing cost of utilities, salaries, pension schemes and the upkeep of two listed buildings have caused a rise in fees above inflation in recent years. The Trustees were extremely mindful of fee affordability and planned to keep fee rises to a minimum whilst still investing in the infrastructure of the Schools. The ongoing affordability of fees has also been carefully considered by the Alpha Schools Group who have resolved not to increase fees further into the 2022/23 academic year to assist families with the cost of living.

### **Facilities and community links**

The Trust made its facilities available to local community groups including sport (cricket, swimming, rugby, football, tennis and hockey), drama and music groups. The Trust values its links with the local community and plans to continue to build on these strong relationships. Below is an outline of some of the links the Trust had with local community groups and state-funded schools whilst the Trust operated with two schools:

- Membership and contribution to the Cheltenham Education Partnership. The driving ambition of the Partnership is to expand the horizons of young people in Cheltenham and to help them realise their full potential. Partners include secondary schools (from both the maintained and Independent sectors) and local organisations and charities.
- Subsidised use of the Trust's swimming pool to local state primary schools.
- The district cross country championships, rounders, football, athletics and quadkids tournaments are held at the Preparatory School with the involvement of state schools for no charge.
- Local sports groups including East Glos Hockey and GoCrea8 Hockey use the Senior School's astroturf pitches.
- Pupils from many local state primary schools take part in the many free experience days that the Senior School holds which offers them the opportunity to expand their knowledge and experiences of particular subject areas. Successful music, sports, STEM and drama days were held through the year.
- Use of the Trust's cricket pitches and equipment by Charlton King's Cricket Club for no charge.
- Both school sites are made available through the holiday periods for holiday camps which benefit many local working families.
- The use of the Preparatory School site for a large fundraising event for a local charity, at no charge.
- The Trust's CCF resources are shared with Pate's School, a local state funded school.
- The Highbury Club, a local community group for partially sighted and disabled, use the Schools' facilities once a term free of charge and are entertained by the Schools' pupils.

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Going forward the Trust will continue to keep close links with the local community through the availability of fee assistance to local families.

## **FINANCIAL REVIEW**

### **Results for the year**

The Trustees regularly review the finances, debtors and creditors, budgets and spend against budget together with a half termly financial analysis as part of the effective management of the Trust.

School fee income for the year was £7,781k (2020: £8,252k). The decrease of £471k was due to a downturn in pupil numbers and a discount totalling £48k that was set against the Spring Term fees due to the Schools being closed to all pupils save for the children of key workers from the start of the Spring Term through to 8<sup>th</sup> March 2021. In addition to this remission, all other remission across the school year totalled £1,193k (£1,405k in 2020), including an increase in means tested bursary awards linked to the financial effects of the pandemic. This led to a net fee income position of £6,540k (£6,848k in 2020).

Other income for the year totalled £381k (£920k in 2020). Income from trips, sale of food, hire of facilities, school care etc. were all heavily impacted by the pandemic.

Staff costs increased by 0.5% to £5,182k (£5,158k in 2020). Pay was controlled through a freeze in pay for all staff. However, increased costs were seen in overtime and cover due to increased staffing for bubbles and covering colleagues whilst absent with Covid.

The yearend results therefore show a deficit after depreciation of £947k (£273k in 2020). The significant deterioration in the financial position is due to the fall in pupil numbers, end of Government financial support, downturn in other income and cost base associated with running two schools on two separate sites.

The balance sheet shows a decrease in debtors from £542k to £311k and this is due largely to a decrease in prepayments and accrued income. In addition, fee debtors reduced by £127k. With the decrease in pupil roll, the Trustees consider this to be a sign that parents who were on the fringe of fee affordability have left the school.

Creditors increased due to fees paid in advance and an increase in borrowing to support the Trust's operating expenditure. Fixed asset purchases of £390k were made through the year (£111k in 2020) to reflect the unpausing of expenditure through lockdown and resumption of capital projects. These changes to operating and investment activities resulted in a decrease in cash by £303k.

Cash levels continued to be monitored closely. Forecasts showed this to be a concern in the short to medium term without an upturn in income or reduction in expenditure, hence the decision by Trustees to sell to the Alpha Schools Group. Moving forward, cash levels will not be of a concern due to the sale.

### **Reserves level and policy**

The Trustees have considered the reserves held by the Trust at 31 August 2021. The Trust's unrestricted funds stood at £3,096k (£4,043k in 2020) and free reserves (i.e. the value of unrestricted reserves after deducting fixed assets) represented a deficit of £970k (surplus of £121k in 2020).

The Trust's policy has been to aim to retain 3-5% of annual operating surpluses to increase free reserves. However, this has been challenging in recent years due to external financial pressures and the challenge of running two large estates.

The Trustees will review the reserves position annually.

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**GOING CONCERN**

As part of the Trustee's responsibilities of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios have been considered. The assumptions modelled are based on the estimated potential impact of the ongoing COVID-19 restrictions and regulations, along with our proposed responses.

The School depends on its existing bank facilities to meet its day to day working capital requirements. The Trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

As per the post balance sheet event note, St Edward's School joined the Alpha Schools Group on 16th February 2022. Alpha Schools have taken over the ownership and management of the schools from this date and will provide a substantial investment in the schools' facilities over the next three years.

The Trust will continue to operate under a different name as Gloucestershire Catholic Educational Trust (GCET). GCET will continue to support Catholic education by providing bursary assistance to children who would not otherwise be able to afford independent school fees.

The Trust now has a significantly reduced overhead rate with minimum overhead expenditure forecast going forwards. The Trust will work within its working capital requirements to grant bursaries in future periods.

The Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

**RISK MANAGEMENT**

The Trustees have given consideration to the major risks to which the Trust is exposed. The Trustee Body has ultimate responsibility for managing any risks faced by the Trust. Detailed consideration of risk is delegated to committees, which report formally to the Trustee Body each autumn. The structure of the committees comprises at least two members of the Trustee Body, assisted by Senior Management.

The risk management process and the resulting Report identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks. The generic controls used by the Trust to minimise risk include:

- detailed terms of reference together with formal agendas for Committee and Board activity;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

**Principal risks and uncertainties**

The Trustees considered risks in the following categories:

- Governance
- Operational
- Financial
- Employee

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**FOR THE PERIOD ENDED 31 AUGUST 2021**

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- Public relations/reputation
- Health and Safety
- Academic standards
- Land and Premises

Of these categories, the Trustees consider the principal risk in the next 12 months to be:

1. The economy and inflation and therefore the ability of parents to continue to afford independent school fees
2. The volatility of the economy and markets and the impact this will have on investments

Measures which the Trust is taking to mitigate against these risks are:

1. The development of a fee assistance programme to ensure that adequate financial support is available for families who could not otherwise afford school fees
2. Ensuring a broad investment portfolio and strategy is in place

#### **AUDITOR**

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe U.K. LLP as auditor to the Trust will be put to the Annual General Meeting.

#### **Statement regarding the future of St Edward's School Cheltenham Trust**

Running costs have increased markedly in recent years for all schools in the independent sector, due to additional costs of Covid such as additional staffing costs, increase in employer contributions to teacher pensions and national insurance. Costs are also expected to rise further in the wake of Brexit and the Covid pandemic including the costs of fuel, utilities, food and building materials.

While also striving to remain affordable for our parents in the wake of a cost of living crises, the school has found it increasingly difficult to generate adequate surpluses and, under advisement from the Bursar, the Trustees concluded that the best way to secure the financial stability and growth for the school in the medium to long term would be to join an independent schools group.

Accordingly, after many months of consultation with professional advisers and discussions with a wide range of potential investors and school groups, St Edward's School joined the Alpha Schools Group on 16<sup>th</sup> February 2022. Alpha Schools have taken over the ownership and management of the schools from this date and will provide a substantial investment in the schools' facilities over the next three years.

The Trust will continue to operate under a different name as Gloucestershire Catholic Educational Trust (GCET). GCET will continue to support Catholic education by providing bursary assistance to children who would not otherwise be able to afford independent school fees.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees of Gloucestershire Catholic Educational Trust Ltd on **7 May** 2022 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



**Dr Susan Honeywill**  
**Chair of the Trustees**

**Date: 7 May 2022**

## **Independent Auditor's Report to the Trustees of Gloucestershire Catholic Educational Trust**

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### **Opinion**

We have audited the financial statements of Gloucestershire Catholic Educational Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of the 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.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

## **Independent Auditor's Report to the Trustees of Gloucestershire Catholic Educational Trust**

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misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement on page 8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be

## **Independent Auditor's Report to the Trustees of Gloucestershire Catholic Educational Trust**

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expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and accuracy of non-fee income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, the bursar and the Finance & General Purpose Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over non-fee income, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

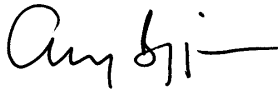
A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Independent Auditor's Report to the Trustees of Gloucestershire Catholic Educational Trust**

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**Guy Biggin (Senior Statutory Auditor)**

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

4<sup>th</sup> Floor, St James House

St James Square

Cheltenham

GL50 3PR

Date: 24 May 2022



**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
(A Company Limited by Guarantee)

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

		Unrestricted funds 2021	Restricted funds 2021	Total funds 2021	Total funds 2020
	Note	£000	£000	£000	£000
<b>Income from:</b>					
Grants and donations	4	70	-	70	564
Charitable activities:					
School fees receivable	5	6,540	-	6,540	6,848
Ancillary trading income	6	237	-	237	278
Other trading activities	7	62	-	62	59
Investments	8	-	-	-	3
Other income	9	12	-	12	18
<b>Total income</b>		<b>6,921</b>	<b>-</b>	<b>6,921</b>	<b>7,770</b>
<b>Expenditure on:</b>					
Charitable activities	10	7,868	-	7,868	7,497
<b>Total expenditure</b>		<b>7,868</b>	<b>-</b>	<b>7,868</b>	<b>7,497</b>
<b>Net movement in funds</b>		<b>(947)</b>	<b>-</b>	<b>(947)</b>	<b>273</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	20	4,043	3	4,046	3,773
Net movement in funds		(947)	-	(947)	273
<b>Total funds carried forward</b>	20	<b>3,096</b>	<b>3</b>	<b>3,099</b>	<b>4,046</b>

The notes on pages 18 to 38 form part of these financial statements.

**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 01961978**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	15	4,066	3,925
		<u>4,066</u>	<u>3,925</u>
<b>Current assets</b>			
Debtors	16	311	542
Cash at bank and in hand	22	999	1,302
		<u>1,310</u>	<u>1,844</u>
Creditors: amounts falling due within one year	17	(1,648)	(1,521)
<b>Net current assets / liabilities</b>		<u>(338)</u>	<u>323</u>
<b>Total assets less current liabilities</b>		<u>3,728</u>	<u>4,248</u>
Creditors: amounts falling due after more than one year	18	(629)	(202)
<b>Total net assets</b>		<u><u>3,099</u></u>	<u><u>4,046</u></u>
<b>Charity funds</b>			
Restricted funds	20	3	3
Unrestricted funds	20	3,096	4,043
<b>Total funds</b>		<u><u>3,099</u></u>	<u><u>4,046</u></u>

The financial statements were approved and authorised for issue by the Trustees on 7 May 2022 and signed on their behalf by:



**Dr S Honeywill**  
Chair of the Trustees

The notes on pages 18 to 38 form part of these financial statements.

**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
(A Company Limited by Guarantee)

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

	Note	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Net cash (used in) operating activities	22	<b>(212)</b>	<b>(389)</b>
<b>Cash flows used in investing activities</b>			
Interest received		-	3
Purchase of tangible fixed assets		<b>(390)</b>	<b>(111)</b>
Sale of tangible fixed assets		<b>4</b>	-
<b>Net cash used in investing activities</b>		<b>(386)</b>	<b>(108)</b>
<b>Cash flows used in financing activities</b>			
Cash inflows from new borrowing		<b>250</b>	<b>50</b>
Repayments of borrowing		<b>(16)</b>	<b>(25)</b>
Movement of finance leases		<b>87</b>	<b>(31)</b>
Interest paid		<b>(26)</b>	-
<b>Net cash provided by / (used in) financing activities</b>		<b>295</b>	<b>(6)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(303)</b>	<b>(503)</b>
Cash and cash equivalents at the beginning of the year		<b>1,302</b>	<b>1,805</b>
<b>Cash and cash equivalents at the end of the year</b>	23	<b>999</b>	<b>1,302</b>

The notes on pages 18 to 38 form part of these financial statements

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**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
**(A Company Limited by Guarantee)**

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

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**2. Accounting policies (continued)**

**1. General information**

Gloucestershire Catholic Educational Trust Ltd is a registered charity with the Charities Commission England and Wales (charity number: 293360) and is incorporated as a private company limited by guarantee (company number: 01961978). The address of its registered office is Cirencester Road, Charlton Kings, Cheltenham, GL53 8EY.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Gloucestershire Catholic Educational Trust Ltd meets the definition of a public benefit entity under FRS 102.

**2.2 Going concern**

As part of the Trustee's responsibilities of the appropriateness of adopting the going concern basis in preparing the financial statements, a range of scenarios have been considered. The assumptions modelled are based on the estimated potential impact of the ongoing COVID-19 restrictions and regulations, along with our proposed responses.

The School depends on its existing bank facilities to meet its day to day working capital requirements. The Trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

As per the post balance sheet event note, St Edward's School joined the Alpha Schools Group on 16th February 2022. Alpha Schools have taken over the ownership and management of the schools from this date and will provide a substantial investment in the schools' facilities over the next three years.

The Trust will continue to operate under a different name as Gloucestershire Catholic Educational Trust (GCET). GCET will continue to support Catholic education by providing bursary assistance to children who would not otherwise be able to afford independent school fees.

The Trust now has a significantly reduced overhead rate with minimum overhead expenditure forecast going forwards. The Trust will work within its working capital requirements to grant bursaries in future periods.

The Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

**2.3 Income**

Fees receivable are accounted for in the period in which the services are provided and are stated after deducting allowances, scholarships and other remissions granted by the School.

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

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**2. Accounting policies (continued)**

All other income is included in the Statement of Financial Activities when the School has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government grants, whether 'capital' grants or 'revenue' grants, is recognised when the School has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlements occurs before income is received, the income is accrued. Where income is received in advance of the School having entitlement to the funds the income is deferred.

**2.4 Expenditure**

Expenditure is allocated to expense headings on a direct cost basis, with staff costs being allocated according to the estimated time spent by staff working in relevant departments. Charitable activities include all costs relating to the running of the School.

The irrecoverable VAT element is included with the item of expense to which it relates.

**2.5 Taxation**

The School is a registered charity, and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

**2.6 Tangible fixed assets and depreciation**

In common with other educational establishments the School has historically written off all expenditure on tangible assets during the year of purchase (prior to 1997).

The original School buildings are predominantly listed properties and are carried at the amount of the original merger cost, as the Trustees consider it is not appropriate to apply a current valuation to such properties. The School is responsible for keeping these properties in a fit and useful condition and these costs are written off as incurred, and hence no depreciation is charged on these properties.

Depreciation is provided on all tangible fixed assets in use, other than listed properties and freehold land, at rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	- 0% - 2% straight line or the expected remaining life of the building
Plant and equipment	- 10% - 33% straight line
Motor vehicles	- 20% straight line
Furniture, fixtures and fittings	- 10% - 20% straight line

Land is not depreciated.

Assets under construction are not depreciated.

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. Individual items costing less than £5,000 are written off as an expense as acquired.

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

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**2. Accounting policies (continued)**

**2.7 Debtors**

Short term debtors are initially measured at transaction price, less any impairment.

**2.8 Cash at bank and in hand**

Cash is represented by cash in hand and deposits with financial institutions.

**2.9 Creditors**

Short term creditors are initially measured at the transaction price.

**2.10 Liabilities**

Liabilities are recognised once there is a legal or constructive obligation that commits the School to the obligation.

**2.11 Financial instruments**

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**2.12 Finance and operating leases**

Where the School has entered into finance leases or hire purchase contracts, the obligations to the lessor are shown within creditors and the rights in the corresponding assets are treated in the same way as owned fixed rights. Leases are regarded as finance leases where their terms transfer to the lessee substantially all the benefits and burdens of ownership other than the right to legal title.

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred.

**2.13 Redundancy costs**

Redundancy and termination costs are accounted for on an accruals basis when commitment to terminate a post on the grounds of redundancy has been made.

**2.14 Pensions**

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary as advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the School. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. The School also contributes to personal pension schemes for non-teaching staff and these contributions are accrued accordingly. Pension costs are allocated to the unrestricted fund due to this being the fund in which staff costs are paid from.

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

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**2. Accounting policies (continued)**

**2.15 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the School and which have not been designated for other purposes.

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

Funds donated for purposes restricted by the wishes of the donor are taken to restricted funds, where these wishes are legally binding on the Trustees.

**2.16 Deposits**

The Trustees have reviewed the contract terms under which pupil fee deposits are held by the School. Although under normal circumstances these will be repaid in future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of deposits held have been included within current liabilities.

**3. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

**Useful economic lives of tangible assets**

The annual depreciation charges for the tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the tangible assets and note 2.6 for the useful lives for each class of asset.

**Impairment of debtors**

The School makes an estimate of the recoverable value of fee and other debtors. When assessing impairment of fee and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors and associated impairment provision.

**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
(A Company Limited by Guarantee)

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

**4. Income from donations and grants**

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021	Total funds 2020
	£000	£000	£000	£000
Donations	3	-	3	12
Government Grants: Job Retention Scheme	67	-	67	552
	<u>70</u>	<u>-</u>	<u>70</u>	<u>564</u>
<i>Total 2020</i>	<u>562</u>	<u>2</u>	<u>564</u>	

The Government grant income received totalling £67k (2020: £552k) relates to the Government's Job Retention Scheme as part of their response to COVID-19. There are no unfulfilled conditions and the School has not received any other forms of Government assistance.

**5. Charitable activities: Fees receivable**

Income represents gross school fees invoiced less discounts and allowances as shown below:

	2021 £000	2020 £000
School fees	7,781	8,253
Less: total scholarships, bursaries, grants and allowances	(1,241)	(1,405)
	<u>6,540</u>	<u>6,848</u>

All income was to unrestricted funds during this and the prior year.



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**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
**(A Company Limited by Guarantee)**

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

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**6. Charitable activities: Other income**

	<b>2021</b> <b>£000</b>	<i>2020</i> <i>£000</i>
Sale of meals	-	23
School trips	<b>44</b>	68
Application fees	<b>14</b>	8
Special needs fees	<b>132</b>	100
Examination fees	<b>21</b>	41
Bus income	<b>16</b>	14
Afterschool clubs	<b>10</b>	23
Other fees as extras	-	1
	<hr/> <b>237</b> <hr/>	<hr/> 278 <hr/>

All income was to unrestricted funds during this and the prior year.

**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
(A Company Limited by Guarantee)

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

**7. Other trading activities**

**Income from fundraising events**

	<b>Unrestricted funds 2021</b>	<b>Total funds 2021</b>	<i>Total funds 2020</i>
	<b>£000</b>	<b>£000</b>	<i>£000</i>
Hire of building and grounds	<u>62</u>	<u>62</u>	<u>59</u>
<i>Total 2020</i>	<u>59</u>	<u>59</u>	

**8. Investment income**

	<b>Unrestricted funds 2021</b>	<b>Total funds 2021</b>	<i>Total funds 2020</i>
	<b>£000</b>	<b>£000</b>	<i>£000</i>
Bank interest	<u>-</u>	<u>-</u>	<u>3</u>
<i>Total 2020</i>	<u>3</u>	<u>3</u>	

**9. Other incoming resources**

	<b>Unrestricted funds 2021</b>	<b>Total funds 2021</b>	<i>Total funds 2020</i>
	<b>£000</b>	<b>£000</b>	<i>£000</i>
Other income	<u>12</u>	<u>12</u>	<u>18</u>
<i>Total 2020</i>	<u>18</u>	<u>18</u>	

**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
(A Company Limited by Guarantee)

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

**10. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2021 £000</b>	<b>Restricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Education and grant making	4,610	-	<b>4,610</b>	4,695
Welfare	505	-	<b>505</b>	439
Premises	1,574	-	<b>1,574</b>	1,360
Support costs	1,179	-	<b>1,179</b>	1,003
	<u>7,868</u>	<u>-</u>	<u><b>7,868</b></u>	<u>7,497</u>
<i>Total 2020</i>	<u>7,497</u>	<u>-</u>	<u>7,497</u>	

**11. Analysis of expenditure by activities**

**Analysis of direct costs**

	<b>Education and grant making 2021 £000</b>	<b>Welfare 2021 £000</b>	<b>Premises 2021 £000</b>	<b>Support costs 2021 £000</b>	<b>Total funds 2021 £000</b>	<i>Total funds 2020 £000</i>
Staff costs	4,195	38	337	612	<b>5,182</b>	5,158
Depreciation	-	-	249	-	<b>249</b>	226
Other	415	467	988	567	<b>2,437</b>	2,113
	<u>4,610</u>	<u>505</u>	<u>1,574</u>	<u>1,179</u>	<u><b>7,868</b></u>	<u>7,497</u>
<i>Total 2020</i>	<u>4,695</u>	<u>439</u>	<u>1,360</u>	<u>1,003</u>	<u>7,497</u>	

Bank interest paid on the loan balances in the year amounted to £15,258 (2020: £1,024).

**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
(A Company Limited by Guarantee)

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

**12. Governance costs (included within support costs)**

	<b>2021</b> <b>£000</b>	<i>2020</i> <i>£000</i>
Fees payable to the School's auditor for the audit of the School's annual accounts	11	10
Fees payable to the School's auditor in respect of:		
All non-audit services not included above	<u>2</u>	<u>2</u>

**13. Staff costs**

	<b>2021</b> <b>£000</b>	<i>2020</i> <i>£000</i>
Wages and salaries	4,155	4,136
Social security costs	386	390
Contribution to defined contribution pension schemes	641	632
	<u>5,182</u>	<u>5,158</u>

During the period there were redundancy or termination payments made which amounted to £16k (2020: £1k). No amounts were left outstanding at the year end (2020: £ nil).

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

	<b>2021</b> <b>No.</b>	<i>2020</i> <i>No.</i>
Scholastic	84	86
Administration	85	80
	<u>169</u>	<u>166</u>

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**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
**(A Company Limited by Guarantee)**

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

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**13. Staff costs (continued)**

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

	<b>2021</b> <b>No.</b>	<i>2020</i> <i>No.</i>
In the band £60,001 - £70,000	<b>1</b>	<i>2</i>
In the band £70,001 - £80,000	<b>1</b>	<i>-</i>
In the band £80,001 - £90,000	<b>1</b>	<i>1</i>
In the band £110,001 - £120,000	<b>1</b>	<i>1</i>

Aggregate remuneration and benefits of the key management personnel totalled £650k (2020: £714k). This relates to the Headmistress, Headmaster, 4 Deputy Heads and the Bursar.

Retirement benefits were accruing on behalf of 4 (2020: 4) higher paid employees. Payments made in the year for these members of staff into the relevant pension scheme totalled £53k (2020: £52k).

**14. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £21 were reimbursed or paid directly to 1 Trustee (2020 - £91). Expenses related to travel.

**GLOUCESTERSHIRE CATHOLIC EDUCATIONAL TRUST LTD**  
(A Company Limited by Guarantee)

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

**15. Tangible fixed assets**

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>						
At 1 September 2020	7,471	918	256	80	101	8,826
Additions	29	166	55	-	140	390
Disposals	-	(325)	(16)	-	-	(341)
Transfers	84	-	-	-	(84)	-
At 31 August 2021	<u>7,584</u>	<u>759</u>	<u>295</u>	<u>80</u>	<u>157</u>	<u>8,875</u>
<b>Depreciation</b>						
At 1 September 2020	3,805	806	224	66	-	4,901
Charge for the year	163	54	29	3	-	249
On disposals	-	(325)	(16)	-	-	(341)
At 31 August 2021	<u>3,968</u>	<u>535</u>	<u>237</u>	<u>69</u>	<u>-</u>	<u>4,809</u>
<b>Net book value</b>						
At 31 August 2021	<u>3,616</u>	<u>224</u>	<u>58</u>	<u>11</u>	<u>157</u>	<u>4,066</u>
At 31 August 2020	<u>3,666</u>	<u>112</u>	<u>32</u>	<u>14</u>	<u>101</u>	<u>3,925</u>

Included within tangible fixed assets are assets with a net book value of £18k (2020: £18k) which meet the definition of intangible fixed assets.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £000	2020 £000
Plant and equipment	<u>105</u>	<u>23</u>

Depreciation of tangible fixed assets included depreciation relating to assets held under finance leases or hire purchase contracts totalling £36k (2020: £26k)

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**16. Debtors**

	<b>2021 £000</b>	<i>2020 £000</i>
<b>Due within one year</b>		
Fees and extras	<b>155</b>	282
Other debtors	<b>34</b>	27
Prepayments and accrued income	<b>122</b>	233
	<b><u>311</u></b>	<u>542</u>

Fee debtors are stated after impairment provisions totalling £123k (2020: £162k).

**17. Creditors: Amounts falling due within one year**

	<b>2021 £000</b>	<i>2020 £000</i>
Bank loans	<b>91</b>	70
Deposits from parents	<b>338</b>	278
Trade creditors	<b>246</b>	74
Fees received in advance	<b>828</b>	685
Other taxation and social security	<b>-</b>	82
Obligations under finance lease and hire purchase contracts	<b>30</b>	8
Other creditors	<b>58</b>	304
Accruals and deferred income	<b>57</b>	20
	<b><u>1,648</u></b>	<u>1,521</u>

Fees received in advance represent payment for school fees relating to terms within the 2021/22 financial year.

	<b>2021 £000</b>	<i>2020 £000</i>
Deferred income at 1 September 2020	<b>685</b>	1,303
Resources deferred during the year	<b>975</b>	685
Amounts released from previous periods	<b>(685)</b>	(1,303)
	<b><u>975</u></b>	<u>685</u>

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**18. Creditors: Amounts falling due after more than one year**

	<b>2021 £000</b>	<b>2020 £000</b>
Bank loans	<b>415</b>	201
Net obligations under finance lease and hire purchase contracts	<b>66</b>	1
Fees in advance	<b>148</b>	-
	<b><u>629</u></b>	<b><u>202</u></b>

Included within the above are amounts falling due as follows:

	<b>2021 £000</b>	<b>2020 £000</b>
<b>Between one and two years</b>		
Bank loans	<u><b>67</b></u>	<u>21</u>
<b>Between two and five years</b>		
Bank loans	<u><b>174</b></u>	<u>34</u>
<b>Over five years</b>		
Bank loans	<u><b>173</b></u>	<u>146</u>

There are four bank loans of which £22k (2020: £35k) represents the balance owing on a fixed rate 2.69% loan. The loan capital is being paid over a 5-year period. The second loan of which £185k (2020: £193k) represents the balance owing on a 2.57% fixed rate per annum loan over the Bank of England Base Rate. The loan capital is being repaid over a 20-year period. The third loan of £50k was drawn down during the 2019/20 financial year. The interest rate is 2.63% over the Bank of England Base Rate, this will be repaid within one year from the time that the full loan amount of £250k is drawn down. The fourth loan of which £250k (2020: £nil) represents the balance owing on a CBILS 3.99% fixed rate per annum loan over the Bank of England Base Rate. The loan capital is being repaid over a 6-year period.

The bank loans outstanding of £507k (2020: £271k) are secured by way of a First Legal Mortgage over the freehold property known as The School House. This asset is included at its initial cost within Freehold property and its current market value far exceeds its carrying value. The hire purchase liabilities are secured on the assets to which they relate.



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**19. Hire purchase commitments**

The net obligations under finance leases and hire purchase contracts due after more than one year as follows:

	<b>2021</b> <b>£000</b>	<i>2020</i> <i>£000</i>
Within 1 – 2 years	<b>29</b>	<i>1</i>
Within 2 – 5 years	<b>37</b>	<i>-</i>
	<hr/> <b>66</b> <hr/>	<hr/> <i>1</i> <hr/>

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**20. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Balance at 31 August 2021 £000
<b>Unrestricted funds:</b>				
<b>Designated funds</b>				
Designated Funds	<u>240</u>	<u>23</u>	<u>(14)</u>	<u>249</u>
<b>General funds</b>				
General reserve	<u>3,803</u>	<u>6,898</u>	<u>(7,854)</u>	<u>2,847</u>
<b>Total Unrestricted funds</b>	<u>4,043</u>	<u>6,921</u>	<u>(7,868)</u>	<u>3,096</u>
<b>Restricted funds:</b>				
Chess Donation	1	-	-	1
PTA Donations	2	-	-	2
<b>Total Restricted funds</b>	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
<b>Total of funds</b>	<u><u>4,046</u></u>	<u><u>6,921</u></u>	<u><u>(7,868)</u></u>	<u><u>3,099</u></u>

The designated fund is for the swimming pool and fitness room. Income received each year from the hire of the pool and fitness room is designated as a separate reserve. Funds will be allocated by the Finance Committee for capital improvements and significant maintenance and renewal costs in the pool and fitness areas. A transfer from the designated fund to the general reserve will be recognised upon the completion of any work to the swimming pool and fitness area which fully satisfy the above conditions of the designated fund.

During the year the School received a donated asset from the PTA which has been recognised within fixed assets in relation to a Timbertrail totalling £Nil (2020: £9k).

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**20. Statement of funds – Prior year**

	<i>Balance at 1 September 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Balance at 31 August 2020 £000</i>
<b>Unrestricted funds</b>				
<b>Designated funds</b>				
Designated Funds	<u>236</u>	<u>20</u>	<u>(16)</u>	<u>240</u>
<b>General funds</b>				
General reserve	<u>3,536</u>	<u>7,748</u>	<u>(7,481)</u>	<u>3,803</u>
<b>Total Unrestricted funds</b>	<u>3,772</u>	<u>7,768</u>	<u>(7,497)</u>	<u>4,043</u>
<b>Restricted funds</b>				
Chess Donation	1	-	-	1
PTA Donation	-	2	-	2
	<u>1</u>	<u>2</u>	<u>-</u>	<u>3</u>
<b>Total of funds</b>	<u>3,773</u>	<u>7,770</u>	<u>(7,497)</u>	<u>4,046</u>

The designated fund is for the swimming pool and fitness room. Income received each year from the hire of the pool and fitness room is designated as a separate reserve. Funds will be allocated by the Finance Committee for capital improvements and significant maintenance and renewal costs in the pool and fitness areas. A transfer from the designated fund to the general reserve will be recognised upon the completion of any work to the swimming pool and fitness area which fully satisfy the above conditions of the designated fund.

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**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2021</b>	<b>Restricted funds 2021</b>	<b>Total funds 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Tangible fixed assets	4,066	-	<b>4,066</b>
Current assets	1,307	3	<b>1,310</b>
Creditors due within one year	(1,648)	-	<b>(1,648)</b>
Creditors due in more than one year	(629)	-	<b>(629)</b>
<b>Total</b>	<u>3,096</u>	<u>3</u>	<u><b>3,099</b></u>

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	3,925	-	3,925
Current assets	1,841	3	1,844
Creditors due within one year	(1,521)	-	(1,521)
Creditors due in more than one year	(202)	-	(202)
<b>Total</b>	<u>4,043</u>	<u>3</u>	<u>4,046</u>

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**22. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Net income for the period (as per Statement of Financial Activities)	<b>(947)</b>	273
<b>Adjustments for:</b>		
Depreciation charges	<b>249</b>	226
Profit on disposal of tangible assets	<b>(2)</b>	-
Interest received	-	(3)
Interest paid	<b>26</b>	-
Decrease/(Increase) in debtors	<b>232</b>	(175)
Increase/(Decrease) in creditors	<b>230</b>	(710)
<b>Net cash used in operating activities</b>	<b>(212)</b>	(389)

**23. Analysis of cash and cash equivalents**

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Cash in hand	<u><b>999</b></u>	<u>1,302</u>

**24. Analysis of changes in net debt**

	<b>At 1 September 2020 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2021 £000</b>
Cash at bank and in hand	<b>1,302</b>	(303)	999
Debt due within 1 year	<b>(70)</b>	(21)	(91)
Debt due after 1 year	<b>(201)</b>	(214)	(415)
Finance leases	<b>(9)</b>	(87)	(96)
	<u><b>1,022</b></u>	<u><b>(625)</b></u>	<u><b>397</b></u>

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**25. Capital commitments**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of intangible assets	<u><b>18</b></u>	<u><b>45</b></u>

**26. Pension commitments**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £604k (2020: £564k) and at the year-end £Nil (2020 - £68k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

**Other pension schemes**

The School also contributes to a defined contribution pension scheme on behalf of its employees. The cost to the School of this scheme was £37k (2020: £68k). At the year end £11k was accrued (2020: £Nil).

**27. Operating lease commitments**

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

	<b>2021</b> <b>£000</b>	<i>2020</i> <i>£000</i>
Not later than 1 year	<b>150</b>	<i>151</i>
Later than 1 year and not later than 5 years	<b>554</b>	<i>557</i>
Later than 5 years	<b>3,240</b>	<i>3,375</i>
	<u><b>3,944</b></u>	<u><i>4,083</i></u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	<b>2021</b> <b>£000</b>	<i>2020</i> <i>£000</i>
Operating lease rentals	<b>136</b>	<i>146</i>

**28. Related party transactions**

During the year transactions amounting to £4k (2020: £1.2k) were made between the School and Clifton Diocese of which the Head Teacher is a Director. Some Trustees have children attending the school. School fees incurred by Trustees are paid on a commercial arm's length basis.

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**29. Post balance sheet events**

Running costs have increased markedly in recent years for all schools in the independent sector, due to additional costs of Covid such as additional staffing costs, increase in employer contributions to teacher pensions and national insurance. Costs are also expected to rise further in the wake of Brexit and the Covid pandemic including the costs of fuel, utilities, food and building materials.

While also striving to remain affordable for our parents in the wake of a cost of living crises, the school has found it increasingly difficult to generate adequate surpluses and, under advisement from the Bursar, the Trustees concluded that the best way to secure the financial stability and growth for the school in the medium to long term would be to join an independent schools group.

Accordingly, after many months of consultation with professional advisers and discussions with a wide range of potential investors and school groups, St Edward's School joined the Alpha Schools Group on 16<sup>th</sup> February 2022. Alpha Schools have taken over the ownership and management of the schools from this date and will provide a substantial investment in the schools' facilities over the next three years.

The Trust will continue to operate under a different name as Gloucestershire Catholic Educational Trust (GCET). GCET will continue to support Catholic education by providing bursary assistance to children who would not otherwise be able to afford independent school fees.