Company Registration No. 08062065 (England and Wales)

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31 AUGUST 2020

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

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ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Bishop R Byrne Mrs J Leech Mrs D Fox
Trustees	Mrs J P Leech (Chair) Fr J Park Mrs M M Gray Mr D Dixon (Vice Chair) Mr N Harrison (Accounting Officer) Mr A S Isles Mrs E A Brady Mrs G Pace Mrs A Parker (Staff Trustee) (Resigned 13 October 2019) Mr S Chapman-Ward (Staff Trustee) (Resigned 13 October 2019) Mrs K M Nugent Mr M Walker Mrs K M Noon (Staff Trustee) Mrs B Seale Mr A Graham Mr I K Muggeridge (Appointed 12 November 2019) Mr A Freeman (Appointed 12 November 2019)
Senior management team	
- Headteacher	Mr N Harrison
- Deputy Headteacher	Mrs A Lawrance
- Deputy Headteacher	Mrs G Kilburn
- Deputy Headteacher	Mrs H Windle
- Director of Academy Services	Mr I Merrington
- Assistant Headteacher	Miss L Mather
- Assistant Headteacher	Mr P Diston
- Assistant Headteacher	Mrs H Rath
- Assistant Headteacher	Mr I Muggeridge
- Assistant Headteacher	Mrs E Graham
Company registration number	08062065 (England and Wales)
Registered office	Consett Road Lanchester County Durham DH7 0RD
Independent auditor	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham TS22 5TB

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers	Lloyds Bank plc 5th Floor 102 Grey Street Newcastle upon Tyne NE1 6AG
Solicitors	Womble Bond Dickinson St Ann's Wharf 112 Quayside Newcastle upon Tyne Tyne & Wear NE1 3DX

The trustees present their annual report together with the financial statements and independent auditor's reports of the charitable company for the period 1 September 2019 to 30 April 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The school transferred to the Bishop Wilkinson Catholic Education Trust (BWCET) on 1 April 2020, therefore the accounts reflect the transfer out of activities in the period.

St Bede's Catholic School was opened in 1964 as a Grammar Technical School. Following amalgamations with two local Catholic Secondary Modern Schools. St Bede's became a comprehensive school serving the Catholic population of North West Durham. The school is a voluntary aided school of the Roman Catholic Diocese of Hexham and Newcastle and opened as an academy on 1 June 2012.

The St Bede's catchment area is mainly from the two major centres of population which are Consett and Stanley. The school has an excellent reputation in the local community, working in close partnership with its feeder Primary Schools; it also attracts a number of pupils from outside its catchment area. All main school year groups are oversubscribed and our Post 16 pupil numbers are large when compared with similar size schools. The number of pupils on roll is 1384, 177 of these students are in our Sixth Form, as registered on the October 2019 census.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as St Bede's Catholic Academy (Lanchester).

The Academy was incorporated on 9 May 2012, and commenced trading on 1 June 2012.

The trustees are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy is part of the Risk Protection Arrangement (RPA), provided by the government which protects Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business.

Method of recruitment and appointment or election of trustees

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected. Trustees are appointed or elected, as the case me be, under the Article of Association. The Diocesan Bishop may appoint 10 Foundation Governors, one of whom shall be a Parish Priest and one third of whom shall be eligible for election or appointment as Parent Governors. At the end of the accounting period the foundation governor establishment had three vacancies (on expiry of the term of office of Canon R Spence, Mrs G Roberts and Mrs L Pinkerton).

The Governing Body may appoint three Staff Governors from teaching and support staff by way of a nomination and election process. The Chair of Governors is the Returning Officer for such purposes.

Parent Governors are elected by parents of registered pupils by way of a nomination and election process. Failing appointment by election, the Governing Body may appoint a person who is the parent of a registered pupil at the Academy; or where it is not practical to do so, a person who is the parent of a child of compulsory age.

The Governing Body structure allows for one Co–opted Governor; a person who is appointed to be a Governor by being Co–opted by Governors who have not themselves been so appointed.

The composition of the board shall be reviewed on an annual basis to ensure that the Academy is adequately represented.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Governors depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. The academy has a SLA with Durham LA to provide bespoke Governor development and training packages. All new Governors are given a tour of the academy and a comprehensive induction file and Governor Toolkit. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be undertaken as and when necessary and tailored specifically to the individual. All Governors have online access to the National Governors Association, where they can access a variety of information.

Organisational structure

The Governing Body provides strategic leadership and accountability to the academy. They oversee the financial performance of the academy, making sure that the funds are used only in accordance with the law, its articles of association, the funding agreement and the Education and Skills Funding Agency's (ESFA) guidance. Governors have a wide discretion over their use of the academies funds, which they must discharge reasonably and in a way that commands broad public support. It is responsible for the proper stewardship of those funds, including regularity and propriety, and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money.

The Governing Body has appointed the Headteacher, as the Accounting Officer which includes specific responsibilities for financial matters. The delivery of the Academy's detailed accounting processes has been delegated to the chief financial officer, the School Business Manager.

The Governing Body has delegated the some of its financial responsibilities to the Finance and Audit Committee, which is a committee of the Governing Body. Its remit includes oversight and approval of the financial policies and procedures to be implemented in the Academy, recommendations regarding the annual budget, short, medium and long term financial plans and on-going management accounts. A representative, generally the Chair of the Finance Committee, will report on finance matters at each Governing Body meeting

The Headteacher supported by the leadership team is responsible for the day to day operation of the Academy.

During the accounting period, the Academy operated with a Headteacher, three Deputy Headteachers and a leadership team; comprising of a Director of Academy Services and five Assistant Headteachers. A succession model of leadership also provided an extended leadership team comprising a further two Associate Assistant Headteachers and the School Business Manager.

The structure consists of 3 levels: The Governors, the Senior Leadership Team and the Extended Leadership Team, including the School Business Manager. The School Business Manager and Director of Academy Services inform and advise the leadership team on all academy matters.

The aim of the structure is to devolve responsibility (distribute leadership) and encourage involvement in decision making at all levels, whilst also providing a means for succession planning.

The Governors are responsible for setting general policy, adopting an annual development plan and budget, monitoring the use of the budget, monitoring and managing risks to the academy and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

Arrangements for setting pay and remuneration of key management personnel

Teachers are employed in accordance with the provisions of the School Teachers' Pay and Conditions Document. In reviewing pay scales in the future, the Governing Body will have regard to any changes to national pay bands contained within the School Teachers' Pay and Conditions Document. The following pay arrangements have been agreed by the Governing Body using the flexibilities contained within the School Teachers' Pay and Conditions Document.

All appointments, at TLR 1b and above, are to be made by the full Governing Body; all appointments TLR 2b-1a formally delegated to the School Staffing and Standards Committee; all other appointments to be delegated to the Headteacher. In addition, appointments are made in accordance with the Diocese Recruitment Policy.

Headteacher

The Governing Body assign a seven-point Individual School Range based on the school group size, as determined by the School Teachers' Pay and Conditions Document. This will be reassessed at the start of each academic year. The Governing Body will ensure that there is no overlap of salary bands between the Headteacher and other leadership posts. On appointment, the Headteacher will be appointed on one of the first 4 points on the ISR.

Progression on the ISR for the Headteacher will be subject to a review of the Headteacher's performance set against the annual appraisal review. The Governing Body may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Governing Body may decide that there should be no pay progression. The pay review for the Headteacher will be completed by 31 December each year.

Other Leadership posts

The Governing Body will determine a five-point pay range for all other leadership posts from within the leadership scale contained in the School Teachers' Pay and Conditions Document. The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts. A post with a designated deputy role in the absence of the Headteacher will be remunerated accordingly above the range for other leadership posts.

The Governing Body will ensure that there is no overlap of pay points between the Headteacher and any other leadership post. On appointment a teacher paid on the leadership scale will be appointed on one of the first 3 points on the pay range, unless an assimilation exercise determines otherwise.

The pay range for teachers paid on the leadership spine will be reviewed annually by the First Committee (Pay Review Body) with payments backdated to 1st September or at any time during the year where there is a significant permanent change in the duties and responsibilities of the post, or where it is necessary to consider a retention payment for a member of staff on the leadership spine.

Progression on the pay range for a member of staff paid on the leadership scale will be subject to a review of their performance set against the annual appraisal review. The Governing Body may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Governing Body made decide that there should be no pay progression. The pay review will be completed by 31 October each year.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	3
Full-time equivalent employee number	2.40

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facilty time	-

Paid trade union activities

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

Related parties and other connected charities and organisations

The Academy does not work in federation with any other organisations but develops relationships with other schools and businesses where they assist in the achievement of the Academy's objectives. In particular, the Academy has strong primary cluster links.

The Academy has registered a related party transaction with the Diocese of Hexham and Newcastle for 19-20, however this transaction is under the limits as prescribed by the ESFA.

Trustees have declared their business interests to date and where any trustees should declare an interest, procedures are in place to address this. The school have adopted a policy that if there are any interests declared, the trustee would remove themselves from the decision making process.

Objectives and activities

Objects and aims

The principal object and activity of the Charitable Company is the operation of St Bede's Catholic Academy (Lanchester) to provide education for students of different abilities between the ages of 11 and 19 with an emphasis on an all-inclusive basis.

The main objectives of the Academy during the period 1 September 2019 to 30 April 2020 are summarised below

- to manage and develop a Catholic school, which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practises and tenets of the Catholic Church;
- to raise the standard of educational achievement of all students and provide education for pupils of different abilities;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to ensure the Academy can cater for the majority of students / parents where it is the school of choice;
- to provide value for money for the funds spent;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness'
- To reduce teacher workload and promote staff wellbeing.

Objectives, strategies and activities
The Academy's main strategies are encompassed in its Mission Statement:

The mission of St. Bede's school is to create an atmosphere of Catholic values, attitudes, practice and knowledge such that all children will have the opportunity for their faith to be nurtured. Thus they will be able to widen and deepen themselves as people in preparation for this life and for the life to come.

St Bede's Aims and Values

St Bede's aims to be a community inspired by CHRIST to serve others.

Common Good
To promote a spirit of charity, social justice, global stewardship and concern for others leading to a contribution to the common good.

Hope
To be an educational community built on foundations of faith, hope and love, which reflects Christ's message of compassion, solidarity and forgiveness.

Respect
To build a community of mutual respect working towards a common understanding of high standards of behaviour, good manners and individual accountability, as well as encouraging students to make responsible and positive choices.

Inspiration
To be a caring, supportive and inclusive community inspired by Christ, recognised by our love of God and of our neighbour whilst nurturing qualities of resilience, determination, ambition, courage and commitment, in order to live fulfilling and purposeful lives.

Service
To follow Christ's example of serving others, in a climate of kindness, humility, friendship and cooperation.

Talents
To encourage all members of the community to foster a love of life-long learning so that they can use their talents to the full, pursuing excellence in all things and in doing so, bring Christ to each other.

At St Bede's Catholic Academy (Lanchester) our school community is based on the values and principles of the Gospel. The academy offers a variety of opportunities and times for religious and spiritual development and staff are encouraged to help students in their spiritual development. A theme for weekly collective worship is linked to the liturgical calendar, important events or special occasions in the life of the school and our aims and values.

Public benefit

The charity's aims and achievements are set out within this report. The activities have been undertaken to further the charity's charitable purposes for the public benefit. The trustees have complied with their duty and paid due regard to the guidance published by the Charities Commission with regard to Public Benefit Entity (Charities SORP 2019) in exercising their powers and duties in deciding what activities the charity should undertake.

Strategic report

Achievements and performance

Achievements in the period (the information below refers to the previous year's data, as the estimated grades for 2019/20 are relevant to the period after the transfer to BWCET):

St Bede's Catholic Academy is an outstanding school which offers a strong caring Catholic ethos, a high quality broad and balanced curriculum and the opportunity for personal success.

The breadth of academic study at GCSE is demonstrated by 65.8% of students being entered for the English Baccalaureate. This year 65 '9' grades were achieved by students.

In English, students make more progress than expected when compared to national figures.

At KS5, students make very good progress with 54% of entries are 2 or more A* - B and 100% with 2 or more A*-E; scores above national average. Students at St Bede's make outstanding progress from KS2 – KS5. Students enrolling into Sixth Form make positive value in the majority of subjects.

Key performance indicators

Over the last 7 years there has been excellent pupil attainment and achievement. The academy has high expectations for all of our students and sets challenging inspirational targets.

Key Stage 4

	Sch	Nat	Sch	Nat	Sch	Nat	Sch	Nat	Sch
5A*-C E/M%	56.4	52.5	75	62	52 (5 or above)	40	48 (5 or above)	43	47 (5 or above)
Att 8	5.1	4.8	5.3	4.9	5.0	4.5	5.1	4.7	5.1
EBACC %	34	24	41	24	37	20	23	17	19

Key Stage 5

Students achieved very strong results at A level.

Appr overall pass rate	100	100	100	100	100
Appr % of entries A*-B	57	60	51	40	54
Appr % of entries A*-E	100	100	99.4	98	99.6

Progress (Achievement)

- Key stage 3 is strong, Maths and English are on progress to meet FFT20 targets.
- Key stage 4 progress is as expected in 2016 and 2017.
- Progress Based on new progress 8 measure:

All Pupils	-0.03	0.00	-0.04	0.00	0.13
Non PP	+0.06	+0.08	+0.04	+0.10	0.14
PP	-0.09	-0.30	-0.28	-0.26	0.07

Key Stage 5:

- Outstanding. Students make more than expected progress.

The school attendance: overall absence 5.2%, with no permanent exclusions 18/19.

Exceptionally high expectations and standards are consistently applied. Pupils show a positive attitude to learning.

S48 March 2015

Behaviour is at all times exemplary. Pupils listen attentively, show appreciation, know how to forgive and accept forgiveness and celebrate the achievements of others.

Going concern

The academy transferred all activities, assets and liabilities to the Bishop Wilkinson Catholic Education Trust on 1 April 2020, therefore the academy trust is no longer a going concern and the financial statements have not been prepared on a going concern basis. Further details are provided in the notes to the financial statements.

Financial review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period prior to the transfer to BWCET in 1 April 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, (SORP 2019), such grants 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 expected useful life of the assets concerned as detailed in our Finance Handbook.

The Academy was designated as a Teaching School in the Summer of 2014. We currently run a number of NPQH, NPQML and NPQSL courses, as well as Teacher Subject Specialism Training courses in Mathematics, MFL and Physics. Teaching School status plays a fundamental role in developing a self-sustaining system where professional development is school-based and classroom focused.

During the accounting period up to the transfer on 1 April 2020, total expenditure of £5,251,201 excluding LGPS adjustments and depreciation exceeded recurrent grant funding from the ESFA together with other additional incoming resources of £4,897,106. The excess of expenditure over income for the period (before pension scheme deficits) was £354,095.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

Prior to the transfer to BWCET, the net book value of fixed assets was £373,673 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The provisions of Financial Reporting FRS102 have been applied in full, resulting in a deficit of £2,782,000 recognised on the balance sheet prior to transfer.

Prior to the transfer to BWCET, the Academy held fund balances of £574,803.

Financial and risk management objectives and policies
The Academy is subject to a number of risks and uncertainties in common with other academies. The Academy has in place procedures to identify and mitigate financial risks. These are discussed further in the Risk Management section of this report, and in the Governance Statement.

Whilst the main school is oversubscribed, risks to revenue funding from a falling roll in Sixth Form, could cause potential risks to the Academy. The Trustees examine the financial health formally at least every term, reviewing performance against budgets and overall expenditure by means of regular update reports. The Trustees also regularly review monthly management accounts and ensure sufficient funds are held to cover all known and anticipated commitments. The Trustees review the risk register throughout the year to ensure that all risk are being realised and managed accordingly.

The Governors review and monitor all financial management policies throughout the year, which include:

- Finance Handbook
- Risk Register and management
- Business Continuity
- Reserves and Investment Policy
- Fixed Asset and Disposal Policy
- Fraud Policy
- Whistleblowing Policy
- Expenses Policy

Reserves policy
When deciding on the reserves amount, Governors will take into account the following:

- One-month salary bill (currently approximately £500,000).
- The school's annual budget.
- The need for any large project spend such as facilities development or building condition needs.
- Any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protections within the school funding and its expiry date.
- Anticipated funding over the next three years.

The Governors have decided that the reserves level will be based on analysis of the points above and the likelihood that they may occur and the amount of funding that would be required if they did. The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan.

The Academy/Full Governors have set aside a portion of the reserve funds for capital projects which include, refurbishment of student toilets and to enhance the movement of students across the school by creating two new corridors, flooring and replacement doors in the near future. All reserves were transferred to BWCET in 1 April 2020.

Investment policy

The Academy does intend to invest surplus funds through money market accounts. Interest rates will be reviewed prior to each investment. The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds.

Principal risks and uncertainties

St Bede's continues to undertake work to further develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the academy's assets and reputation. Outlined below is a description of the principal risk factors that may affect the school. Not all the factors are within the school's control. Other factors besides those listed below may also adversely affect the school, as outlined in the Risk Register which is monitored termly throughout the academic year.

1. Government funding

St Bede's has considerable reliance on continued government funding from the ESFA. There can be 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.

This risk is mitigated in a number of ways:

- By developing new and varied income streams to supplement fluctuations in public funding.
- By ensuring that the school is rigorous in delivering high quality education and training, whilst demonstrating value for money and driving the costs down on services procured.
- By maintaining and managing key relationships with the ESFA.
- By continuing to monitor and manage student numbers in both main school and Sixth Form. Promoting the school to the wider community and publicising our Outstanding Ofsted status.
- Accessing the curriculum and ensuring that it is fit for purpose and denotes appropriate staffing deployment.

2. Governance / Management Failure

The risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. Governors have access to the National Governance Association, which provides guidance and information to enhance their knowledge of Governance, as well as access to other training providers who assist in developing the key skills and knowledge necessary for the effective Governance of the Academy.

Trustees regularly review our controls measures, alongside three Internal Audits per year from our Accountants, who examine our internal financial systems and processes. Any internal assurance findings and recommendations are reviewed and shared with Governors. The control measures are revised to strengthen the processes in place.

3. Safeguarding and child protection

The Academy continues to ensure that the highest standards are maintained in the selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline. The Governing Body made a commitment to undertake LSCB Level 1 Child Protection training. All staff are appropriately trained and accredited to Level 1, updated in 2019. DSLs have undertaken refresher courses to Level 2 standard. GDPR has also been a focus during the year for staff awareness and training.

4. Student Numbers

St Bede's is a very popular and oversubscribed academy, with 1384 students recorded on the October 2019 census. We also have a vibrant Sixth Form with 177 students recorded on our October 2019 census. The Governors are determined that the academy should continue to meet the needs of as many students as we can sensibly host. Prospective parents are always welcome to contact the academy for a visit and there are organised visits for primary students throughout the year for both Year 5 and 6 students.

5. Pension liabilities

In addition, the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet, which has risen since 2019/20.

Risk management

The Governors regularly review, monitor and amend the Risk Management Policy and Risk Rationale. This encourages frequent discussions about the strategic and business direction of the Academy and the risk's that it may face, allowing us to plan for future events. Assigning funds whether needed and mitigating against any potential risks posed. The Finance Committee have been delegated this responsibility and information is then brought to the attention of the Full Governors as and when necessary.

The Extended Leadership and Management Team (ELMT) consists of a Headteacher, three Deputy Headteachers, the Director of Academy Services, a further five appointed Assistant Headteachers, two Associated Assistance Headteachers and the School Business Manager. The group is charged with making executive decisions, having applied the policies laid down by the Governors and reporting back to them. All have bespoke roles and are linked to departments across the academy.

As a group, the ELMT are responsible for monitoring their link departments and for the authorisation of spending within agreed budgets, as directed by the Finance Handbook, and the appointment of staff for posts within their link and specialist areas; again as directed by pre-determined terms of reference.

The ELMT is supported by a middle leaders group, which includes Progress & Development Leaders and Subject Leaders. This group are responsible for day to day management of the academy and for practically progressing the policies of the Governing Body.

Fundraising

The Academy raises funds for the benefit of nominated registered charities through fundraising activities with the students and wider community. Each year group has a nominated charity in which they donate any raised funds, from Lenten charity activities, dedicated non-uniform day and other school based activities e.g. cake sale, raffle etc. All fundraising is monitored by our School Chaplain and Deputy Headteacher and is completed by our students and staff. The Trustees have overall responsibility and accountability for the Academy and this includes its fundraising. They play a key role in setting the approach to raising funds, making sure that it is followed in practice and reflects the values of the Academy. A dedicated Charity Committee will be formed in the 2020 summer term.

Plans for future periods

The academy joined the Bishop Wilkinson Catholic Education Trust on 1 April 2020.

Auditor

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware,
- the Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditor in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

Approved by order of the board of trustees, as the company directors, on 19 November 2020 and signed on its behalf by:

Mrs J P Leech
Chair

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2020

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St Bede's Catholic Academy (Lanchester) has effective and appropriate systems 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 Governing Body/The Board of Trustees has delegated the day to day responsibility to the Headteacher 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 St Bede's Catholic Academy (Lanchester) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in the internal control.

Governance

The information on governance included here supplements that described in the Trustee' Report and in the Statement of Trustee' Responsibilities. The Governing Body (Board of Trustees) has formally met five times during the accounting period. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs J P Leech (Chair)	4	5
Fr J Park	3	5
Mrs M M Gray	3	5
Mr D Dixon (Vice Chair)	5	5
Mr N Harrison (Accounting Officer)	5	5
Mr A S Isles	4	5
Mrs E A Brady	3	5
Mrs G Pace	5	5
Mrs A Parker (Staff Trustee) (Resigned 13 October 2019)	0	1
Mr S Chapman-Ward (Staff Trustee) (Resigned 13 October 2019)	1	1
Mrs K M Nugent	3	5
Mr M Walker	2	5
Mrs K M Noon (Staff Trustee)	4	5
Mrs B Seale	4	5
Mr A Graham	3	5
Mr I K Muggeridge (Appointed 12 November 2019)	4	4
Mr A Freeman (Appointed 12 November 2019)	4	4

Finance and Audit Committee
The Finance and Buildings Committee is a committee of the main Governing Body (board of trustees). Its purpose is to assist the decision making of the Full Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the responsibility of the Governing Body to ensure sound management of the academies finances and the secure management of the academy assets, its buildings and resources; including proper planning and probity.

During the accounting period the committee has faced uncertainty surrounding the turbulence of school finances, legislative changes, changing education landscape changes, formula changes especially at Post 16 and an ageing school infrastructure with associated issues. Strategic capital investment has been secured to reduce business risk. The composition and membership of the committee has remained resolute.

The Finance Committee meetings commence with business undertaken as an Audit Committee. Detailed consideration is given to Internal Audit reports and action planning thereto, risk management and revisions to the Financial Handbook.

The Governing Body during the accounting period conducted deep self-evaluation including a revisit of ways of working, self-evaluation including skills and competency audits and participated in a strategic training morning. There is a balance of expertise across the committees and the Finance and Buildings Committee has representation from colleagues with particular financial acumen and background.

Attendance at meetings of the Finance and Audit Committee in the period was as follows:

Trustees	Meetings attended	Out of possible
Mrs J P Leech (Chair)	3	3
Fr J Park	3	3
Mr D Dixon (Vice Chair)	3	3
Mr N Harrison (Accounting Officer)	3	3
Mrs E A Brady	2	3
Mr S Chapman-Ward (Staff Trustee) (Resigned 13 October 2019)	1	1
Mr M Walker	2	3
Mr A Graham	2	3

Audit Remit
The Audit Committee is a committee of the main Governing Body (board of trustees). Its purpose is to advise the Full Governing Body on the adequacy and effectiveness of the Academy's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (Value for money).
The Academy also engaged its Auditors to carry out 2 internal assurance review during the year to ensure that:

- the financial responsibilities of the Governing Body are being properly discharged;
- resources are managed in an efficient, economical and effective manner;
- systems of internal financial control are being maintained; and financial considerations are fully taken into account in reaching decisions.

Review of value for money

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

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

Improving educational outcomes

Ensuring that resources are directed where they are most needed and most effective in meeting educational requirements:

- Our curriculum ensures all students have the opportunity to raise their individual levels of attainment and targeted intervention is in place for students who are at risk of underachieving.
- We regularly review the staffing structure to ensure staff are efficiently deployed and are appropriately qualified and experienced.
- We have a dedicated team of LSAs and Student Support Managers to effectively support the complex needs of our students.
- We have implemented initiatives to ensure students' learning is challenging enough to meet individual needs and encourage lifelong learning. We focus on the differing needs of every individual student, this is reflected in our FSM policy.
- Developing the assessment, tracking and monitoring processes to ensure data is used to inform planning, target interventions and support differentiation, including regular internal and Leadership Team meetings to review progress and impact of interventions for different groups of students.
- Introduction of a dedicated Student Support Centre, to support our more vulnerable students. This includes Progress and Development Leaders, Welfare and Development Managers, a school nurse, a dedicated First Aid Officer and a school counsellor.

Focus on individual pupils

- The main focus and use of the Pupil Premium funding is to close the gap between our most disadvantaged students and their peers.
- We continue to support students with AEN, through a dedicated Inclusion team, managed by our Deputy Headteacher, which includes committed Learning Support staff providing one to one support and small group intervention strategies.
- The development of literacy is supported by the Accelerator Reader Programme and Read, Write, Ink - Reading ages at Year 9, 8 and Year 7 show improvement.

Financial Governance and Oversight

Our Finance and Buildings Committee and Audit Committee meet on a regular basis, to ensure that the Academy is adhering to the Finance Handbook and financial procedures as set by the ESFA. They receive regular financial reports and ask relevant questions as evidenced in the minutes.

The system of internal financial controls is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. This includes:

- Comprehensive budgeting and monitoring systems with an annual budget and financial reports which are reviewed and agreed by the Committee in the first instance, and then confirmed at the Full Governors meetings.
- Termly reviews of reports which indicate financial performance against the forecasts and major purchase/procurement plans, capital works programmes, summer works programme and expenditure.
- Monthly management accounts, reviewing financial performance against forecasts.
- Financial and management reports covering all departmental expenditure and spends against budgets.
- Delegation of authority and segregation of duties.
- Identification and management of risks associated with the academy.

The work of these committees has been further supported by two internal audit visits and reports, completed by Baldwins Audit Services. These visits/reports look at the financial procedures we have in place and test our financial controls to ensure that they are robust and being followed correctly on a day to day basis. All issues identified are discussed with the Finance Committee/Governors and resolved by introducing further controls.

Better Purchasing

Ensuring value for money is an important part of our financial procedures at St. Bede's Catholic Academy (Lanchester). We constantly strive to drive costs down, whilst ensuring that we receive value for money and best value, to enable us to provide more resources and materials for our students and their education.

All contracts are reviewed and analysed on an annual basis to ensure they are fit for purpose and demonstrate best value.

Better Income Generation

Additional income includes:

- Hosting trainee teachers, School Direct, ITT students and PGCE placements.
- A number of our staff are trained SLE's and have therefore provided consultancy work for other schools, training providers and the Local Authority.
- Facilitation of NPQ's external courses.
- Letting of the school and grounds after hours.
- Teaching School – staff training and collaboration.
- Application for CIF to fund building and maintenance projects.

Reviewing Controls and Managing Risks

- The Finance and Building Committee, the Audit Committee, School Business Manager, budget holders and the Leadership Team have regular updated budget reports pertinent to their area/subject/link; these reports highlight areas for concern and recommendations from the Finance Team. This has ensured that spending is within budget and forward plans are agreed and implemented when there has been any variance.
- Actions taken to manage risk include the purchase of an appropriate level of insurance cover for the Buildings and Contents above the level provided by the RPA.
- The Risk Register and Finance Handbook are reviewed and discussed on a regular basis by the Finance and Buildings Committee and Audit Committee to evaluate incidents or events that might affect the school and to see how we would or could deal with such occurrences.
- The outcomes and recommendations of our RO visits are discussed at the Finance and Buildings Committee meetings. All risks are evaluated and recommendations are implemented into our internal controls and Finance Handbook.

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Bede's Catholic Academy for the accounting period 1 September 2019 to 30 April 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk
The Governors (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 Governors are of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 30 April 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular monitoring and review by the Finance and Building Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- pupil number projections and trend analysis;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Governing Body (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 Baldwins Audit Services, the external auditor, to perform checks report on our financial systems and processes and Governance;
- and formation of an Audit Committee to receive the Audit reports and perform within their agreed terms of reference.

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

- testing of payroll services
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of creditor and debtor aged listings
- monitoring of the Academy's Finance Handbook, ensuring it reflects current systems and practice
- monitoring of funds generated through teaching school activities
- monitoring of corporate governance

On a termly basis, the auditor reports are shared with the Governing Body (board of trustees) detailing the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities. The detail of which is considered by the Audit Committee and practical recommendations are further considered by the Finance and Buildings Committee, including ensuring that recommendations are carried out as per an agreed action plan.

During the period the auditor's reports detailed two low risk items, both have been carried out and actions completed.

Review of effectiveness

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

- the work of the internal assurance reviews (2 per year);
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the Senior Leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 19 November 2020 and signed on its behalf by:

Mrs J P Leech
Chair

Mr N Harrison
Accounting Officer

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2020

As accounting officer of St Bede's Catholic Academy (Lanchester) I have considered my responsibility to notify the academy 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 academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.

Mr N Harrison
Accounting Officer

19 November 2020

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2020

The trustees (who are also the directors of St Bede's Catholic Academy (Lanchester) for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 19 November 2020 and signed on its behalf by:

Mrs J P Leech
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

FOR THE PERIOD ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of St Bede's Catholic Academy (Lanchester) for the period ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

The academy joined a Multi Academy Trust on 1 April 2020, at which point all assets and liabilities were transferred to the MAT and the academy trust ceased operations. Therefore the trustees have prepared the accounts on a break up basis.

This has been referred to in the accounting policies and a post balance sheet events note is included in the notes to the accounts.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

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.

Azets Audit Services

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

5 December 2020
.....

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST BEDE'S CATHOLIC ACADEMY (LANCHESTER) AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE PERIOD ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 18 September 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Bede's Catholic Academy (Lanchester) during the period 1 September 2019 to 31 August 2020 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 St Bede's Catholic Academy (Lanchester) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Bede's Catholic Academy (Lanchester) 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 St Bede's Catholic Academy (Lanchester) and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Bede's Catholic Academy (Lanchester)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Bede's Catholic Academy (Lanchester)'s funding agreement with the Secretary of State for Education dated 1 May 2013 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: 5 December 2020

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	10,996	-	-	10,996	485,127
Charitable activities:						
- Funding for educational operations	4	307,192	4,347,168	-	4,654,360	7,500,138
- Funding for teaching schools	27	-	51,038	-	51,038	88,719
Other trading activities	5	180,297	-	-	180,297	448,089
Investments	6	415	-	-	415	2,986
Total		498,900	4,398,206	-	4,897,106	8,525,059
Expenditure on:						
Raising funds	7	67,755	-	-	67,755	406,509
Charitable activities:						
- Educational operations	8	630,072	4,647,957	16,495	5,294,524	8,025,155
- Teaching schools		-	59,417	-	59,417	107,334
Charitable expenditure - transfer of existing academy out of the trust		469,201	(2,676,399)	198,866	(2,008,332)	-
Total	7	1,167,028	2,030,975	215,361	3,413,364	8,538,998
Net income/(expenditure)		(668,128)	2,367,231	(215,361)	1,483,742	(13,939)
Transfers between funds	17	122,404	183,186	(305,590)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	503,000	-	503,000	(730,000)
Net movement in funds		(545,724)	3,053,417	(520,951)	1,986,742	(743,939)
Reconciliation of funds						
Total funds brought forward		545,724	(3,053,417)	520,951	(1,986,742)	(1,242,803)
Total funds carried forward		-	-	-	-	(1,986,742)

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

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

FOR THE PERIOD ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019		**Unrestricted Funds**	**Restricted funds: General**	**Restricted funds: Fixed asset**	**Total 2019**
	Notes	**£**	**£**	**£**	**£**
Income and endowments from:					
Donations and capital grants	**3**	21,731	-	463,396	485,127
Charitable activities:					
- Funding for educational operations	**4**	502,090	6,998,048	-	7,500,138
- Funding for teaching schools	**27**	-	88,719	-	88,719
Other trading activities	**5**	448,089	-	-	448,089
Investments	**6**	2,986	-	-	2,986
Total		974,896	7,086,767	463,396	8,525,059
Expenditure on:					
Raising funds	**7**	406,509	-	-	406,509
Charitable activities:					
- Educational operations	**8**	501,627	7,510,074	13,454	8,025,155
- Teaching schools		-	107,334	-	107,334
Total	**7**	908,136	7,617,408	13,454	8,538,998
Net income/(expenditure)		66,760	(530,641)	449,942	(13,939)
Transfers between funds	**17**	(101,069)	282,313	(181,244)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	**19**	-	(730,000)	-	(730,000)
Net movement in funds		(34,309)	(978,328)	268,698	(743,939)
Reconciliation of funds					
Total funds brought forward		580,033	(2,075,089)	252,253	(1,242,803)
Total funds carried forward		545,724	(3,053,417)	520,951	(1,986,742)

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**12**		-		390,169
Current assets					
Debtors	**13**	-		606,973	
Cash at bank and in hand		-		1,175,466	
		-		1,782,439	
Current liabilities					
Creditors: amounts falling due within one year	**14**	-		(865,195)	
Net current assets			-		917,244
Total assets less current liabilities			-		1,307,413
Creditors: amounts falling due after more than one year	**15**		-		(163,155)
Net assets before defined benefit pension scheme liability			-		1,144,258
Defined benefit pension scheme liability	**19**		-		(3,131,000)
Total net liabilities			-		(1,986,742)
Funds of the academy trust:					
Restricted funds	**17**				
- Fixed asset funds			-		520,951
- Restricted income funds			-		77,583
- Pension reserve			-		(3,131,000)
Total restricted funds			-		(2,532,466)
Unrestricted income funds	**17**		-		545,724
Total funds			-		(1,986,742)

The accounts set out on pages 27 to 53 were approved by the board of trustees and authorised for issue on 19 November 2020 and are signed on its behalf by:

Mrs J P Leech
Chair

Company Number 08062065

ST BEDE'S CATHOLIC ACADEMY (LANCHESTER)

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	**20**		42,104		(242,960)
Cash funds transferred out			(1,021,839)		-
			(979,735)		(242,960)
Cash flows from investing activities					
Dividends, interest and rents from investments		415		2,986	
Capital grants from DfE Group		-		463,396	
Purchase of tangible fixed assets		-		(328,825)	
Net cash provided by investing activities			415		137,557
Cash flows from financing activities					
New other loan		-		139,828	
Repayment of other loan		(196,146)		(9,686)	
Net cash (used in)/provided by financing activities			(196,146)		130,142
Net (decrease)/increase in cash and cash equivalents in the reporting period			(1,175,466)		24,739
Cash and cash equivalents at beginning of the year			1,175,466		1,150,727
Cash and cash equivalents at end of the year			-		1,175,466

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Bede's Catholic Academy (Lanchester) 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, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable.

However, the academy joined an existing multi academy trust on 1 April 2020. Therefore the financial statements have not been prepared on a going concern basis.

All assets and liabilities of the academy have been transferred at their carrying value as part of the transaction and no material adjustments arise as a result of ceasing to apply the going concern basis.

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

1 Accounting policies **(Continued)**

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 training income, catering income and school trips, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated goods, facilities and services

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

Donated fixed assets

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1 Accounting policies **(Continued)**

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Building improvements	50 years
Computer equipment	2 years
Fixtures, fittings and equipment	4 - 5 years

The academy trust occupies the footprint of the school building which is owned by its trustees, the Diocese of Hexham and Newcastle. The Diocese are the providers of the land and buildings on the same basis as when the academy was a maintained school. The academy trust occupies the land and buildings under a mere licence. This continuing permission of the trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy.

The remaining land is owned by Durham County Council and leased to the academy for 125 years. Building improvements funded by the academy have been capitalised at cost.

Because the use of the land is made available to the academy trust under a Supplemental Agreement, the academy has been donated the right to use the buildings and under accounting standards a donation and expense representing the use of the facilities should be reflected in the financial statements. The trustees are of the opinion that obtaining a reliable estimate of this value would be onerous and the expense of obtaining such a valuation would outweigh any benefits derived. Therefore no such adjustment has been reflected in these financial statements.

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 Liabilities

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

1 Accounting policies **(Continued)**

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

1 Accounting policies **(Continued)**

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

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other 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 Education and Skills Funding Agency, Department for Education and Local Authority.

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary and other funds from the ESFA and private sponsors. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The 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 and paid and any balances held are disclosed in the notes to the accounts.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

2 Critical accounting estimates and areas of judgement (Continued)

Local Government Pension Scheme

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

McCloud:

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. An approximate calculation for the impact of McCloud has been included in the valuation.

GMP:

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. An approximate calculation for the GMP has been included in the valuation.

Land and buildings

The academy trust occupies the footprint of the school building which is owned by its trustees, the Diocese of Hexham and Newcastle. The academy trust occupies the land and buildings under a mere licence. This continuing permission of the trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Private sponsorship	7,100	-	7,100	16,342
Capital grants	-	-	-	463,396
Other donations	3,896	-	3,896	5,389
	10,996	-	10,996	485,127

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,905,774	3,905,774	6,604,125
Other DfE group grants	-	355,416	355,416	287,328
	-	4,261,190	4,261,190	6,891,453
Other government grants				
Local authority grants	-	85,978	85,978	106,595
Other funding				
Teaching schools	-	51,038	51,038	88,719
Catering income	307,192	-	307,192	501,901
Other incoming resources	-	-	-	189
	307,192	51,038	358,230	590,809
Total funding	307,192	4,398,206	4,705,398	7,588,857

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	587	-	587	1,873
Catering income	23,752	-	23,752	56,412
School trips	27,860	-	27,860	150,072
Teaching schools	750	-	750	18,615
Other income	127,348	-	127,348	221,117
	180,297	-	180,297	448,089

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	415	-	415	2,986

7 Expenditure

		Non Pay Expenditure		Total	Total
	Staff costs	Premises	Other	2020	2019
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	67,755	67,755	406,509
Academy's educational operations					
- Direct costs	3,124,877	-	207,495	3,332,372	5,127,634
- Allocated support costs	713,338	578,768	670,046	1,962,152	2,897,521
Teaching schools					
- Direct costs	48,966	-	4,713	53,679	107,334
- Allocated support costs	5,738	-	-	5,738	-
	3,892,919	578,768	950,009	5,421,696	8,538,998

Net income/(expenditure) for the period includes:	2020	2019
	£	£
Fees payable to auditor for:		
- Audit	8,000	8,000
- Other services	5,450	5,500
Operating lease rentals	47,103	69,385
Depreciation of tangible fixed assets	16,495	13,454
Net interest on defined benefit pension liability	34,000	58,000

8 Charitable activities

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Direct costs				
Educational operations	2,078	3,330,294	3,332,372	5,127,634
Teaching schools	-	53,679	53,679	107,334
Support costs				
Educational operations	627,994	1,334,158	1,962,152	2,897,521
Teaching schools	-	5,738	5,738	-
	630,072	4,723,869	5,353,941	8,132,489

8 Charitable activities (Continued)

	2020 £	2019 £
Analysis of support costs		
Support staff costs	719,076	1,197,339
Depreciation	16,495	13,454
Premises costs	562,273	710,605
Legal costs - other	1,033	1,321
Other support costs	655,563	961,302
Governance costs	13,450	13,500
	1,967,890	2,897,521

9 Staff

Staff costs

Staff costs during the period were:

	2020 £	2019 £
Wages and salaries	2,781,341	4,683,166
Social security costs	273,639	465,613
Pension costs	740,019	955,537
Amounts paid to employees	3,794,999	6,104,316
Agency staff costs	97,920	127,306
Staff restructuring costs	-	478
Amounts paid to staff	3,892,919	6,232,100
Staff development and other staff costs	24,020	25,591
Total staff expenditure	3,916,939	6,257,691

Staff restructuring costs comprise:

Redundancy payments	-	478

9 Staff **(Continued)**

Staff numbers

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

	2020 Number	2019 Number
Teachers	88	95
Administration and support	69	67
Management	10	6
	167	168

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	-	4
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1

The above figures relate to the period up to the date of transfer to Bishop Wilkinson Catholic Education Trust on 1 April 2020.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £277,124 (2019: £502,925).

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

Mr S Chapman Ward (Finance Officer) - resigned 13 October 2019

Remuneration	£1 - £5,000 (2019: £25,001 - £30,000)
Employer's pension contributions	£nil (2019: nil)

Mr N Harrison (Headteacher)

Remuneration	£60,001 - £65,000 (2019: £95,001 - £100,000)
Employer's pension contributions	£10,001 - £15,000 (2019: £15,001 - £20,000)

Mrs A Parker (Teacher) - resigned 13 October 2019

Remuneration	£5,001 - £10,000 (2019: £40,001 - £45,000)
Employer's pension contributions	£1 - £5,000 (2019: £5,001 - £10,000)

Mrs K Noon (Teacher)

Remuneration	£25,001 - £30,000 (2019: £45,001 - £50,000)
Employer's pension contributions	£5,001 - £10,000 (2019: £5,001 - £10,000)

Mr A Freeman (Director of ICT) - appointed 12 November 2019

Remuneration	£20,001 - £25,000 (2019: not a trustee)
Employer's pension contributions	£1 - £5,000 (2019: not a trustee)

Mr I Muggeridge (Assistant Headteacher) - appointed 12 November 2019

Remuneration	£30,001 - £35,000 (2019: not a trustee)
Employer's pension contributions	£5,000 - £10,001 (2019: not a trustee)

Other related party transactions involving the trustees are set out within the related parties note.

The above figures relate to the period up to the date of transfer to Bishop Wilkinson Catholic Education Trust on 1 April 2020.

11 Trustees and officers insurance

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

12 Tangible fixed assets

	Building improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	326,758	113,050	261,288	701,096
Transfer on conversion	(326,758)	(113,050)	(261,288)	(701,096)
At 31 August 2020	-	-	-	-
Depreciation				
At 1 September 2019	11,030	106,821	193,076	310,927
Transfer on conversion	(14,842)	(111,181)	(201,400)	(327,423)
Charge for the period	3,812	4,360	8,324	16,496
At 31 August 2020	-	-	-	-
Net book value				
At 31 August 2020	-	-	-	-
At 31 August 2019	315,728	6,229	68,212	390,169

13 Debtors

	2020	2019
	£	£
Trade debtors	-	58,973
VAT recoverable	-	143,201
Other debtors	-	1,915
Prepayments and accrued income	-	402,884
	-	606,973

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other loans	-	32,991
Trade creditors	-	494,489
Other taxation and social security	-	120,984
Other creditors	-	126,314
Accruals and deferred income	-	90,417
	-	865,195

15 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Other loans	-	163,155
Analysis of loans		
Wholly repayable within five years	-	196,146
Less: included in current liabilities	-	(32,991)
Amounts included above	-	163,155
Loan maturity		
Debt due in one year or less	-	32,991
Due in more than one year but not more than two years	-	32,991
Due in more than two years but not more than five years	-	98,974
Due in more than five years	-	31,190
	-	196,146

Loans comprise three Salix loans received being repaid over an 8 year term.

16 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	-	74,834
Deferred income at 1 September 2019	74,834	88,681
Released from previous years	(74,834)	(88,681)
Resources deferred in the period	-	74,834
Deferred income at 31 August 2020	-	74,834

On transfer to Bishop Wilkinson Catholic Education Trust on 1 April 2020, the Academy was holding L4NE income, trip income and ICT income relating to future periods.

17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	77,583	3,905,774	(4,052,563)	69,206	-
Other DfE / ESFA grants	-	355,416	(355,416)	-	-
Other government grants	-	85,978	(85,978)	-	-
Teaching schools	-	51,038	(59,417)	8,379	-
Pension reserve	(3,131,000)	-	(154,000)	3,285,000	-
	(3,053,417)	4,398,206	(4,707,374)	3,362,585	-
Restricted fixed asset funds					
DfE group capital grants	438,803	-	(7,554)	(431,249)	-
Capital expenditure from GAG	445	-	(283)	(162)	-
Capital expenditure from UNR	81,703	-	(8,658)	(73,045)	-
	520,951	-	(16,495)	(504,456)	-
Total restricted funds	(2,532,466)	4,398,206	(4,723,869)	2,858,129	-
Unrestricted funds					
General funds	545,724	498,150	(697,827)	(346,047)	-
Teaching schools	-	750	-	(750)	-
	545,724	498,900	(697,827)	(346,797)	-
Total funds	(1,986,742)	4,897,106	(5,421,696)	2,511,332	-

17 Funds **(Continued)**

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 30 April 2020.

Other DfE/ESFA grants include pupil premium, year 7, free school meals and teachers pay award.

Other grants include income funding for pupils with special educational needs from the local authority.

Other restricted funds comprise Teaching Schools income.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The transfer between the restricted general fund and the restricted fixed asset fund of £130,782 represents expenditure from capital grants on items which have not been capitalised for accounting purposes, and a transfer of capital loans of £174,808 from revenue to capital reserves for accounts presentation purposes.

Unrestricted funds are available to be spent on any purpose, at the discretion of the trustees, within the objectives of the academy trust.

The academy's restricted general and unrestricted funds prior to the transfer to Bishop Wilkinson Catholic Education Trust on 1 April 2020 were £574,803.

17 Funds **(Continued)**

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	87,911	6,604,125	(6,878,151)	263,698	77,583
Other DfE / ESFA grants	-	287,328	(287,328)	-	-
Other government grants	-	106,595	(106,595)	-	-
Teaching schools	-	88,719	(107,334)	18,615	-
Pension reserve	(2,163,000)	-	(238,000)	(730,000)	(3,131,000)
	(2,075,089)	7,086,767	(7,617,408)	(447,687)	(3,053,417)
Restricted fixed asset funds					
DfE group capital grants	251,323	463,396	(12,218)	(263,698)	438,803
Capital expenditure from GAG	930	-	(485)	-	445
Capital expenditure from UNR	-	-	(751)	82,454	81,703
	252,253	463,396	(13,454)	(181,244)	520,951
Total restricted funds	(1,822,836)	7,550,163	(7,630,862)	(628,931)	(2,532,466)
Unrestricted funds					
General funds	580,033	956,281	(908,136)	(82,454)	545,724
Teaching schools	-	18,615	-	(18,615)	-
	580,033	974,896	(908,136)	(101,069)	545,724
Total funds	(1,242,803)	8,525,059	(8,538,998)	(730,000)	(1,986,742)

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	-	-
Current assets	-	-	-	-
Creditors falling due within one year	-	-	-	-
Creditors falling due after one year	-	-	-	-
Defined benefit pension asset	-	-	-	-
Total net assets	-	-	-	-

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	390,169	390,169
Current assets	591,787	1,059,870	130,782	1,782,439
Creditors falling due within one year	(46,063)	(819,132)	-	(865,195)
Creditors falling due after one year	-	(163,155)	-	(163,155)
Defined benefit pension asset	-	(3,131,000)	-	(3,131,000)
Total net assets	545,724	(3,053,417)	520,951	(1,986,742)

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £116,424 (2019: £97,581) were payable to the schemes prior to the transfer to Bishop Wilkinson Catholic Education Trust on 1 April 2020 and were included within creditors.

19 Pension and similar obligations **(Continued)**

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £509,308 (2019: £596,785).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the period was £120,000 (2019: £253,000), of which employer's contributions totalled £86,000 (2019: £197,000) and employees' contributions totalled £34,000 (2019: £56,000). The agreed contribution rates for future years are 16.5%% for employers and 5.5% - 12.5%% for employees. The estimated value of employer contributions for the forthcoming year is £210,000 (2019: £202,000).

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.

19 Pension and similar obligations **(Continued)**

Principal actuarial assumptions	**2020**	**2019**
	%	**%**
Rate of increase in salaries	2.9	3.5
Rate of increase for pensions in payment/inflation	1.9	2.0
Discount rate for scheme liabilities	2.3	1.9
Inflation assumption (CPI)	1.9	2.0

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

	2020	**2019**
	Years	**Years**
Retiring today		
- Males	22.2	22.3
- Females	24.2	23.8
Retiring in 20 years		
- Males	23.2	24.0
- Females	25.7	25.7

Scheme liabilities would have been affected by changes in assumptions as follows:

The academy trust's share of the assets in the scheme	**2020**	**2019**
	Fair value	**Fair value**
	£	**£**
Equities	-	1,660,176
Government bonds	-	846,558
Corporate bonds	-	385,398
Cash	-	164,700
Property	-	237,168
Total market value of assets	-	3,294,000

The actual return on scheme assets was £(659,000) (2019: £309,000).

Amount recognised in the Statement of Financial Activities	**2020**	**2019**
	£	**£**
Current service cost	206,000	252,000
Past service cost	-	125,000
Interest income	(37,000)	(80,000)
Interest cost	71,000	138,000
Total operating charge	240,000	435,000

19 Pension and similar obligations **(Continued)**

Changes in the present value of defined benefit obligations

	2020	2019
	£	£
At 1 September 2019	6,425,000	4,928,000
Transferred out on existing academies leaving the academy trust	(5,522,000)	-
Current service cost	206,000	252,000
Interest cost	71,000	138,000
Employee contributions	34,000	56,000
Actuarial (gain)/loss	(1,199,000)	959,000
Benefits paid	(15,000)	(33,000)
Past service cost	-	125,000
At 31 August 2020	-	6,425,000

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

	2020	2019
	£	£
At 1 September 2019	3,294,000	2,765,000
Transferred out on existing academies leaving the academy trust	(2,740,000)	-
Interest income	37,000	80,000
Actuarial loss/(gain)	(696,000)	229,000
Employer contributions	86,000	197,000
Employee contributions	34,000	56,000
Benefits paid	(15,000)	(33,000)
At 31 August 2020	-	3,294,000

20 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,483,742	(13,939)
Adjusted for:		
Net surplus on transfer of academy out of the trust	(2,008,332)	-
Capital grants from DfE and other capital income	-	(463,396)
Investment income receivable	(415)	(2,986)
Defined benefit pension costs less contributions payable	120,000	180,000
Defined benefit pension scheme finance cost	34,000	58,000
Depreciation of tangible fixed assets	16,495	13,454
Decrease/(increase) in debtors	606,973	(147,077)
(Decrease)/increase in creditors	(832,203)	132,984
Stocks, debtors and creditors transferred on conversion	621,844	-
Net cash provided by/(used in) operating activities	42,104	(242,960)

21 Analysis of changes in net debt

	At 1 September 2019 £	Cash Flows £	At 30 April 2020 £
Cash	1,175,466	(1,175,466)	-
	1,175,466	**(1,175,466)**	**-**
Loans falling due within one year	(32,991)	32,991	-
Loans falling due after one more than one year	(163,155)	163,155	-
Total	**979,320**	**(979,320)**	**-**

22 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	-	57,561
Amounts due in two and five years	-	57,207
	-	114,768

Operating lease obligations were transferred to Bishop Wilkinson Catholic Education Trust on 1 April 2020.

23 Capital commitments

	2020 £	2019 £
Expenditure contracted for but not provided in the accounts	-	353,415

24 Related party transactions

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

The academy trust occupies the footprint of the school building which is owned by its trustees, the Diocese of Hexham and Newcastle. The Diocese are the providers of the land and buildings on the same basis as when the academy was a maintained school. The academy trust occupies the land and buildings under a mere licence. This continuing permission of the trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy.

During the year the Academy made payments for services to the Diocese of Hexham & Newcastle totalling £12,443 (2019: £nil).

25 Members' liability

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

26 Agency arrangements

The academy trust distributes 16-19 and vulnerable bursary funds to students as an agent for ESFA. In the accounting period ending 30 April 2020 the trust brought forward £8,383 (2019: £5,174) from previous years, received £12,588 (2019: £21,312) and disbursed £8,827 (2019: £18,103) from the funds. An amount of £12,144 (2019: £8,383) was included in other creditors prior to transfer, relating to undistributed funds that is repayable to ESFA.

The academy trust also distributes private sponsorship to students as an agent for certain individuals. In the accounting period ending 30 April 2020 the trust brought forward £4,500 (2019: £25,000) from previous years, received £25,000 (2019: £nil) and disbursed £nil (2019: £20,500) from funds. An amount of £29,500 (2019: £4,500) was included in other creditors prior to transfer relating to undistributed funds.

27 Teaching schools trading account

	2020 £	2020 £	2019 £	2019 £
Direct income				
External funding		51,038		88,719
Other income				
Fundraising and other trading activities		750		18,615
Total income		51,788		107,334
Direct costs				
Direct staff costs	48,966		94,327	
Educational supplies and services	4,713		13,007	
	53,679		107,334	
Other costs				
Support staff costs	5,738		-	
Total expenditure		(59,417)		(107,334)
Transfers between funds excluding depreciation		7,629		-
Surplus from all sources		-		-
Teaching schools balances at 1 September 2019		-		-
Teaching schools balances at 31 August 2020		-		-

28 Transfer of existing academies out of the academy trust

On 1 April 2020, St Bede's Catholic Academy (Lanchester) transferred into Bishop Wilkinson Catholic Education Trust. The amounts transferred were as follows:

Net liabilities transferred	**2020 £**
Cash and cash equivalents	1,021,839
Leasehold land and buildings	311,916
Other tangible fixed assets	61,757
Debtors	167,704
Creditors	(789,548)
Pension scheme	(2,782,000)
Total net liabilities	(2,008,332)