

Company Registration Number: 09940352 (England & Wales)

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Bishop R J Byrne
D Fox
J Ledger
P Leighton
Rev. S Lerche

Directors

D J O'Mahoney, Chair^{1,3}
J C Carlin (resigned 19 May 2021)²
D W Chandler²
J Deighan¹
Rev. A Dixon^{1,3}
C Emmerson (appointed 21 May 2021)
H Hardy²
D Kendall (appointed 22 February 2021)^{2,3}
A M Shanks (appointed 1 October 2020)^{1,3}

- ¹ Finance, Health, Safety and Premises Committee
² Audit Committee
³ Standards Committee

Company registered number

09940352

Company name

Bishop Chadwick Catholic Education Trust

Principal and registered office

Evolve Centre
Cygnet Way
Houghton Le Spring
DH4 5QY

Company secretary

C Henderson

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Senior Leadership Team

T B Tapping, CEO/Executive Headteacher and Accounting Officer
M Graham, Acting Executive Headteacher, Our Lady of the Rosary Catholic Primary School and St Mary's Catholic Primary School Jarrow
M Shepherd, Headteacher, St Anthony's Girls' Catholic Academy
G Sanderson, Headteacher, St Aidan's Catholic Academy
P Mitchell, Headteacher, St Joseph's Catholic Academy
A Tumelty, Acting Headteacher, St Mary's Catholic Primary School, Jarrow
J Hill, Executive Headteacher, St Mary's Catholic Primary School, Wingate and St Godric's Catholic Primary School
S Robertson, Headteacher, St Leonard's Catholic Primary School, Silksworth
P Craig, Headteacher, St Joseph's Catholic Primary School, Jarrow
K Fenwick, Acting Headteacher, St Aloysius Catholic Infant School and St Aloysius Catholic Junior School, Hebburn
F Craik, Headteacher, St Wilfrid's RC College and Acting Executive Headteacher of St Bede's Catholic School and Byron Sixth Form College
D Ritchie, Acting Head of School, St Wilfrid's RC College
F Cessford, Acting Head of School, St Bede's Catholic School and Byron Sixth Form College
C Devine, Acting Headteacher, St Bede's Catholic Primary School, South Shields
G Kelly, Headteacher, St Patrick's Catholic Primary School, Ryhope
M Butt, Headteacher, Ss Peter & Paul Catholic Primary School, South Shields
N Noble, Headteacher, St Cuthbert's Catholic Primary School, Seaham
L Ashton, Executive Headteacher, Our Lady of Lourdes Catholic Primary School and St Joseph's Catholic Primary School, Blackhall (with effect from 1 October 2021)
F Heslop, Headteacher, St James' Catholic Primary School, Hebburn (with effect from 1 October 2021)
M Rooney, Headteacher, St Bede's Catholic Primary School, Jarrow (with effect from 1 October 2021)
E Harrison, Chief Operating Officer
M Hope, Chief Financial Officer

Independent auditors

Clive Owen LLP
Chartered Accountants
and Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

Lloyds Bank plc
102 Grey Street
Newcastle upon Tyne
NE99 1SL

NatWest
54 Fawcett Street
Sunderland
SR1 1SF

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees Report and a Directors' report under company law.

The academy trust operates 5 secondary and 16 primary academies in South Tyneside, Sunderland and Durham with 1 secondary school and 8 primary schools having transferred to the academy trust during the period of reference and a further 4 primary schools joining the Trust post year end.

These 21 academies had a combined number on roll of 7,920 as per the Spring 2021 census.

Structure, governance and management

Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust. The Directors of Bishop Chadwick Catholic Education Trust are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as Bishop Chadwick Catholic Education Trust.

Details of the Directors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust business. This is via the Risk Protection Arrangement (RPA). Further details can be found in note 13.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Method of recruitment and appointment or election of Directors

The academy trust has a set of rules and procedures setting out how it is run and how it conducts its business and meetings. These are known as the Articles of Association and set out the academy trust's charitable objects. The articles detail the constitution of the company and the rules for the appointment and removal of its Members, Directors and Governors. Members approve its Directors (Trustees). Directors appoint a Governing Committee to which they delegate their duties, where necessary.

The Diocesan Bishop shall appoint such number of Foundation Directors as shall ensure that at all times the number of Foundation Directors exceeds the other Directors (including any Co-opted Directors) by two.

The term of office for any Director shall be 4 years or a shorter period if specified at the time of appointment by the person or body appointing, save that this time limit shall not apply to the Co-opted Directors or to any post which is held ex officio. Co-opted Directors shall be appointed for a period of one year. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

Details of Directors are shown in the reference and administration details on page 1.

Policies adopted for the induction and training of Directors

The training and induction provided for new Directors and Governors depends on their existing experience. New Directors are supported by experienced Directors. Where necessary induction and training is provided on educational, legal and financial matters. All new Directors receive the Academy Financial Handbook. The external provider for Governance also provides Director induction training.

Membership of the Board and individual academy Governing committees is an item on the agenda at termly meetings. At these meetings the Clerk to the Board of Directors/Governors will highlight any vacancies.

Organisational structure

The Trust's management structure consists of:

- The Directors
- The Local Governing Committee for each individual academy
- The Trust Senior Leadership Team (as set out on page 1)
- The Senior Leadership Team of each individual academy.

The aim of the structure is to delegate responsibility appropriately and encourage involvement in decision making at all levels. There is a scheme of delegation in place, linked to key performance indicators. One academy in the academy trust has an interim advisory board in place to support the senior leadership team within the academy to aid school improvement.

The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust and making decisions regarding the direction of the academy trust.

The Senior Leadership Team of each respective academy controls the academy at an executive level, implementing policy and reporting to Directors. The Headteacher, Directors and Senior staff are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending and budgetary control is devolved to senior finance staff and members of the Senior Leadership Team/Leadership Group, with limits above which must be countersigned by a senior member of staff.

During 2020/21 the academy trust has continued to review policies, including the Remote Learning Policy to reflect the ongoing challenges related to the Covid-19 pandemic. Trust Board and Committee meetings have continued to be held virtually.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

The pay policy for all staff, including key management personnel, is governed by the pay policy, which is reviewed annually. The policy includes the academy trust's commitment that teachers are employed in accordance with the provisions of the School Teachers Pay and Conditions Document. The academy trust has also signed an undertaking with the Diocese of Hexham & Newcastle that it will abide by national pay and conditions.

The CEO is the Accounting Officer. The CEO salary is set and agreed by Directors of Bishop Chadwick Catholic Education Trust, following a benchmarking exercise by an external adviser to the academy trust.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £000

Total cost of facility time	6
Total pay bill	24,967
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Engagement with employees (including disabled persons)

Meaningful consultation was undertaken before the TUPE of staff to Bishop Chadwick Catholic Education Trust via whole-staff meetings, one-to-one meetings and virtual meetings during school closure periods.

The Trust's Senior Leadership Team includes the Headteacher/Head of School for each constituent academy and this team meets regularly to allow for detailed discussion of Trust policies and procedures. Headteachers/Heads of School are then responsible for disseminating information to employees within their respective school.

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the academy trust. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment by making support resources available and through training and career development.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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

The academy trust recognises that the Trust, and our academies, are part of a community of stakeholders including the local authorities for each region we serve, suppliers and professional advisers, and the wider community including parents and parishioners.

In order to develop a working relationship which benefits both the Trust and its suppliers, the Trust includes reference to 'Social Value' as a specific criterion in tender activity to ensure the Trust works in partnership with its suppliers to benefit the children attending Trust academies. As a result of this engagement, the Trust has benefitted from work experience opportunities for pupils and support from suppliers at careers events.

The Trust engages with the Diocesan Director of Education via regular meetings of the Chief Executive Officers, Chief Operating Officers and Chair of Trustees of the four multi-academy trusts serving the Diocese of Hexham & Newcastle.

Meaningful parental engagement is undertaken on a continuous basis at academy level, led by the Trust to ensure that information is shared in a timely fashion.

The Trust has been mindful of the challenges faced by suppliers as a result of the Covid-19 pandemic. The Trust has ensured timely payment of invoices to mitigate any cashflow problems encountered by suppliers. No suppliers requested financial intervention during the period under review and as such, the Trust has not had to consider how it could support such a request.

Objectives and activities

Objects and aims

The principal activity of Bishop Chadwick Catholic Education Trust is to provide free education for young people aged 2 — 19 of all abilities, based on an inclusive, balanced and broad curriculum.

The Directors, Governors and staff of the academy trust are committed to providing an outstanding education to all students.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

Objectives, strategies and activities

The academy trust's vision statement is as follows:

"As a family of schools inspired by Christ. We aim to enable each individual to fulfil their God given potential. Excellence for everyone through learning. Respect and partnership are at the heart of our Trust".

The values of our family of schools are:

- Excellence - achieve excellence in everything we do
- Respect - created in the image of Christ and treated with equity and fairness
- Community - one spirit, one community, one team
- Gifts - support and encourage all members to enable them to fulfil their potential
- Aspiration - supporting people to be the best they can be, ensuring that the needs of every individual are met
- Celebration - recognition and acknowledgement of all our successes.

All academies within the academy trust have their own rolling programme of self-evaluation whereby any action points arising from the evaluation are then pursued in the individual school development plan which in turn feeds into the academy trust development plan.

Throughout the partial school closures due to Covid-19, all staff have worked tirelessly to ensure that the children attending the schools within the academy trust have continued to have access to a broad and balanced curriculum, whether the children have attended school (key worker children and specified year groups) or have worked at home.

Public benefit

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit.

The Directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Directors have considered this guidance in deciding what activities the academy trust should undertake.

Strategic report

Achievements and performance

The academy trust commenced a period of significant growth in 2020 with the growth plan expected to complete in July 2022. Our ambition is that each of our pupils, regardless of background has the chance to become the "best possible version" of themselves. We will achieve this as an academy trust by enabling the development of "better schools" and "better communities" and by continuing the sharing of excellent practice already embedded.

To ensure that the academy trust is well-placed to support each academy within the academy trust, the academy trust's Central Service team has been developed during the year with key appointments in School Improvement, Finance, HR, Estates, Catering and IT.

The Governance structure has been enhanced through the development of the Standards Committee of the Board of Directors which has provided support and challenge throughout the year, particularly with reference to those academies which operate an Interim Advisory Board.

The global COVID-19 pandemic has continued to impact our schools, and others in many different ways - we

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

have faced the challenges of providing education and support for our pupils and their families during a full national lockdown, whilst looking after the children of key workers and vulnerable children.

Our schools have had to be agile and adapt to the challenges posed by the introduction and development of remote learning and working practices, this has had to be achieved alongside a full re opening of schools in a COVID secure way. The academy trust is now engaged in ensuring a robust Recovery programme.

The academy trust ambition to be excellent in everything we do has encouraged a willingness to share practice and collaborate at Headteacher board and throughout our organisation. Collaboration has been particularly strong between our Primary and Secondary schools as part of the DfE funded transition project.

Secondary Schools

Due to Covid-19 partial school closures, public examinations were cancelled in 2020 and 2021 and no performance tables were published in either year.

The academy trust's Data Partner has worked closely with Secondary Headteachers to analyse the data arising from Centre Assessed Grades (CAG's) at KS4 to ensure a detailed understanding of pupil outcomes in the absence of published data. Highlights are as follows:

- Overall, the Trust's average GCSE grade (5.6) was comparable to the prior year and remains above that of 2018-19 (5.25).
- Overall Trust Attainment 8 (A8) was 55.81 v. the 2018/19 national result of 46.7. All schools are significantly above the national average.
- 70% of pupils achieved a Progress 8 (P8) score of above 0 (2018/29 national average -0.03), with 16.77% achieving 'above average' (0.0-0.5) and a further 53.34% 'significantly above average' (above 0.5).

KS5 data has been compiled which shows 76.8% of pupils achieved Grade A-C. This compares favourably with 72.6% achieved in Summer 2020.

Primary Schools

Due to Covid-19 partial school closures, SAT's were cancelled in 2020 and again in 2021 and no performance tables are to be published as a result.

The academy trust's Director of English, Director of Maths and School Improvement Partners are working closely with each primary school within the Trust to ensure pupils continue to make progress despite the challenges faced due to the pandemic.

St Aloysius Catholic Junior School was inspected by Ofsted on 14 September 2021 and retained its overall judgment of "Outstanding".

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DIRECTORS' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

Further to the operational KPIs set out above, financial KPIs are as below:		
	2021	2020
GAG funding	£32,500,000	£16,415,000
Staff costs* as % of GAG	98%	103%
Staff costs* as % of income	79%	79%
Net current assets / income	£6,590,000	£4,312,000
Total reserves (excl pensions)	£14,670,000	£10,941,000
* as per note 8 less actuarial pension charge.		

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Promoting the success of the company

The Board of Directors seeks to embed a culture of excellence. The strategic plan sets out the academy trust's strategic objectives and the activities to be undertaken to allow the Trust to deliver on this ambitious plan. To support this, a curriculum vision has been developed by the academy trust's Leadership Group.

The Trust works in partnership with the Diocese of Hexham & Newcastle, our parishes, the Local Authorities within which our schools are located and the communities we serve.

In making decisions, Directors consider the long-term implications of these decisions and the financial viability of any plans with reference to the medium-term financial plan.

The Trust is mindful of its many responsibilities:

- Pupils – the Trust promotes academic excellence, and strong pastoral care. In providing outstanding education for all, we enhance the life chances of our pupils whilst ensuring strong admissions which support the financial viability of our schools.
- Employees – The Trust seeks to develop staff through a strong culture of development including access to outstanding CPD. The Trust recognises its duties under the Equalities Act and seeks to establish strong working relationships with employees and their Trade Unions via our JCC.
- Our Environment – The Trust recognises its responsibilities to care for our environment, reflecting on the words of Pope Francis in his encyclical "Laudato si". The Trust demands that all suppliers demonstrate their commitment to sustainability and seeks to identify ways to reduce our carbon footprint and achieve efficiency savings.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Financial review

Most of the academy trust's income is obtained from the Department of Education (DfE) via 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 DfE/ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), 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.

In addition, the academy trust receives income from the DfE/ESFA for its activities as a Teaching School. During the year ended 31 August 2021, the academy trust received total income of £118,000 (2020: £40,000) relating to this activity.

During the year ended 31 August 2021, total expenditure of £41,399,000 (2020: £21,518,000) was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £2,068,000 (2020: £2,473,000).

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

At 31 August 2021 the net book value of fixed assets was £8,250,000 (2020: £6,629,000) and movements in tangible fixed assets are shown in note 15 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The in-year surplus, excluding the pension reserve and restricted fixed asset funds was £1,953,000 (2020: £1,597,000).

The academy trust held fund balances at 31 August 2021 of £(5,868,000) comprising restricted funds of £8,829,000 (including the pension deficit of £20,628,000), and unrestricted funds of £2,961,000. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as at 31 August 2021 was £4,366,000 (2020: £2,413,000).

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £20,628,000 recognised on the balance sheet.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

The academy trust holds restricted and unrestricted funds (the attached financial statements details these funds). Unrestricted funds are held:

- To provide funds which can be designed to specific areas, such as to cover ongoing costs in relation to the running of the academy trust
- To cover ongoing costs including catering provisions, school trips and uniform costs.

The minimum level of reserves for the ongoing needs of the academy trust is reviewed annually. The financial risks have been reviewed in terms of impact and likelihood as part of the strategic risk management process. The main financial risk to the academy trust is that of managing its short-term cash flow effectively. To mitigate this risk the Directors consider it prudent to hold unrestricted funds in the general fund in the form of free reserves (total funds less amount held in fixed assets and restricted funds) of £1,623,000. This is considered sufficient to cover 4 weeks' worth of expenditure, both in terms of salaries and invoices.

The academy trust's current level of reserves is in surplus by £2,961,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy trust. Given the growth in the academy trust the current policy is being reviewed to ensure it is still appropriate for the academy trust in its new structure. The level of reserves will be monitored throughout the year and any potential issues dealt with appropriately.

The impact of Covid-19 related partial closures and the need to be able to support remote learning resulted in losses of £82,000 in the financial year under review. The potential for further expenditure is discussed in more detail in the section "Principal risks and uncertainties" below.

Investment policy

The objectives of this policy are to ensure that the academy trust maintains sufficient cash balances in its current account to meet its day to day commitments and invests surplus cash to earn an acceptable rate of return without undue risk.

The CEO and Board of Directors have overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Chief Financial Officer. The Chief Financial Officer will liaise with the CEO and Board of Directors in relation to investment decisions.

The academy trust maintains funds in a current account. In the year to 31 August 2021 there were no additional investments.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

The principal risks and uncertainties are centred on the current level of uncertainty of the funding via the DfE/ESFA. This must be carefully monitored.

In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust balance sheet.

The Directors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy trust has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks.

The Covid-19 pandemic has resulted in a number of financial risks:

- additional staffing costs allowing increased cleaning of premises, phased lunch sittings to allow social distancing, and agency costs to cover staff absences due to illness or self-isolation;
- additional expenditure related to cleaning materials and IT equipment to allow remote learning;
- lost net revenue from school meals service (income less food and beverage costs).

As the pandemic continues, there is a risk that the continued financial impact becomes material and that the academy trust may need to utilise reserves to cover the cost.

Fundraising

The academy trust operates in an area of relative deprivation and therefore fundraising activities are carefully monitored to avoid placing pressure on pupils, parents and the wider community. Fundraising activities include activities to support the food banks operating locally.

The academy trust does not work with commercial participators or professional fundraisers and does not engage 3rd parties to undertake fundraising activities on its behalf.

Should individuals wish to complain about any fundraising activities conducted by the academy trust, they should follow the Complaints or Whistleblowing policy as appropriate.

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DIRECTORS' REPORT (CONTINUED)
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Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period

	1 September 2020 – 31 August 2021	1 September 2019 – 31 August 2020
Energy consumption used to calculate emissions (kWh)	8,814,000	5,133,000
Scope 1 emissions in metric tonnes CO ₂ e		
Gas consumption	1,121,000	681,000
Owned transport – mini-buses	13,000	2,000
TOTAL SCOPE 1	1,134,000	683,000
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	571,000	300,000
Scope 3 emissions in metric tonnes CO ₂ e		
Business travel in employee owned vehicles	9,000	8,000
Total Gross emissions in metric tonnes CO ₂ e	1,714,000	991,000
Intensity ratio		
Tonnes CO ₂ e per pupil	260	284

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

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

To improve energy efficiency, we have installed LED lighting across the estate during 2021 with an approved investment of £0.7m of which £0.3m had been incurred at 31 August 2021.

Due to travel restrictions during the pandemic, Trust staff have needed to develop efficient collaborative remote working and the Trust will seek to continue online meetings in the future where feasible to reduce emissions associated with transport.

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DIRECTORS' REPORT (CONTINUED)
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Plans for future periods

The key objective of the academy trust is to continue to improve progress and attainment levels of all students within all academies within the academy trust.

The academy trust welcomed St Bede's Catholic Academy and Byron Sixth Form, St Leonard's Catholic Primary, Sunderland, St Joseph's Catholic Primary, Jarrow, St Aloysius Catholic Infants & St Aloysius Catholic Juniors, Hebburn, St Peter and Paul Catholic Primary South Shields, St Bede's Catholic Primary, South Shields, St Patrick's Catholic Primary, Sunderland and St Cuthbert's Catholic Primary, Seaham during this financial year.

In October 2021, the following academies joined the Trust: Our Lady of Lourdes Catholic Primary School Shotton, St Bede's Catholic Primary School Jarrow, St James' Catholic Primary School Hebburn, and St Joseph's Catholic Primary School Blackhall.

In accordance with wider Diocesan plans, the academy trust expects a further 13 schools to join the Trust within the financial year ended 31 August 2022.

The academy trust has worked closely with the relevant Headteacher and Chair of Governors to ensure that meaningful consultation was undertaken despite partial school closures and social distancing requirements. Stakeholders have communicated with the academy trust in writing, by telephone and via virtual meeting using the Zoom platform.

Funds held as custodian on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 14 December 2021 and signed on its behalf by:



D J O'Mahoney
Chair

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Director has delegated the day-to-day responsibility to the CEO, 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 Bishop Chadwick Catholic Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Director any material weaknesses or breakdowns in internal control.

Governance

The Trust has continued to face many challenges related to the Covid-19 pandemic during the year under review. Despite the challenges facing the education sector, the Trust has continued to develop and strengthen its governance framework and has continued to ensure that policies and procedures within the Trust and its academies are operating effectively.

As Covid-19 restrictions continue to curtail in-person meetings, the Trust Board and its Committees have continued to meet virtually which has allowed meetings to continue without disruption. Attendance at virtual meetings has been good, and indeed, meeting virtually, without associated travel time has been welcomed by some Directors.

In recognition of the importance of good governance across the Trust, to provide effective strategic leadership of governance and to ensure clarity around governance support, the post of Governance Manager was created. The postholder commenced on 1 September 2021.

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Director has formally met 12 times during the year.

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

Director	Meetings attended	Out of a possible
D J O'Mahoney, Chair	9	12
D W Chandler	11	12
J Deighan	12	12
Rev. A Dixon	8	12
H Hardy	10	12
C Emmerson, (appointed 21 May 2021)	3	3
J C Carlin, (resigned 19 May 2021)	6	9
D Kendall, (appointed 22 February 2021)	5	6
A M Shanks, (appointed 1 October 2020)	11	12

Current Directors have been given the opportunity to increase their knowledge by further training offered by the Local Authority and Diocese and a self-assessment of the committee skills is on-going.

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance, Health, Safety and Premises Committee is a sub-committee of the main Board of Director.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
A M Shanks	5	5
D J O'Mahoney	5	5
Fr A Dixon	5	5
J Deighan, Chair	5	5

The Audit Committee is a sub-committee of the main Board of Directors. Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
H Hardy	4	4
D W Chandler, Chair	4	4
D Kendall (appointed 22 February 2021)	0	1
J C Carlin (resigned 19 May 2021)	3	3

The Standards Committee is a sub-committee of the main Board of Directors. Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
A M Shanks	5	7
D J O'Mahoney	7	7
Fr A Dixon	6	7
D Kendall (appointed 22 February 2021)	3	6

Review of value for money

As Accounting Officer, the CEO 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. Despite the challenges related to the Covid-19 pandemic, faced by remote working by both the Executive team and many suppliers, the accounting officer for the academy trust has delivered improved value for money during the year by reviewing and renegotiating trust-wide contracts including Agency Supply, Facilities Management (both planned preventative maintenance and reactive maintenance), and investing in Compliance Software to allow for early identification of premises maintenance so that later, more significant reactive maintenance can be avoided.

The impact of the above actions is reflected in the KPI data which confirm strong outcomes for pupils.

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Maximising income generation

The academy trust explores all opportunities to generate additional income including internal catering provision, the hire of all academy trust facilities, offering support to other schools and academies and the submission of appropriate grant applications. As of 31 August 2021 a number of organisations utilised the academy trust for lettings, including sports fields and sports halls.

Reviewing controls and managing risks

The Directors maintains oversight of its risk management, value for money framework and governance arrangements.

The academy trust appointed Tait Walker LLP to provide internal assurance reporting. They undertake systems and accounting checks and report these findings back to the Directors.

The Directors consider the strategic risks facing the academy trust including how these risks are managed via an annual review of the risk register. Significant risks are then delegated to the appropriate committee to ensure appropriate action is taken and progress monitored.

The CEO, individual Headteachers, COO, CFO and Finance Manager review budget monitoring reports on a monthly basis addressing any significant variances against budget. Capitation budgets are delegated to each department and Curriculum Leader's monitor the expenditure and spend in accordance with their annual development plans.

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 Bishop Chadwick Catholic Education Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Director has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Director is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Director.

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk (continued)

The risk and control framework

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

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

The Board of Directors has decided to buy-in an internal audit service from Tait Walker LLP

The external 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 income
- testing of the accounting systems and management information produced
- review of fixed assets
- review of VAT and corporation tax position

There have been termly reviews throughout the period and the external auditors have fully delivered their schedule of work as planned in line with the ESFA's requirements. There have been no material control issues arising as a result of the external auditor's work.

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

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

- on discharge of the Board of Directors financial decisions to help the committee consider actions and assess year on year progress:
- internal auditors
- external auditors

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 Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 14 December 2021 and signed on their behalf by:



D J O'Mahoney
Chair



T B Tapping
Accounting Officer

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Bishop Chadwick Catholic Education Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



T B Tapping
Accounting Officer
Date: 14 December 2021

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Directors on 14 December 2021 and signed on its behalf by:



D J O'Mahoney
Chair

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BISHOP CHADWICK CATHOLIC EDUCATION TRUST**

Opinion

We have audited the financial statements of Bishop Chadwick Catholic Education Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BISHOP CHADWICK CATHOLIC EDUCATION TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BISHOP CHADWICK CATHOLIC EDUCATION TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of noncompliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.
- Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BISHOP CHADWICK CATHOLIC EDUCATION TRUST (CONTINUED)**

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

Use of our report

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

Clive Owen

Kevin Shotton BA BFP FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

and Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Date:

16/12/21

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Chadwick Catholic Education Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Bishop Chadwick Catholic Education Trust's funding agreement with the Secretary of State for Education dated 28 January 2016 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

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:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self-assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clive Owen LLP
Reporting Accountant
and Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 16/12/21

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		577	(5,409)	785	(4,047)	(442)
Acquisition of existing academy		-	-	-	-	(1,218)
Other donations and capital grants		-	6	1,748	1,754	2,185
Charitable activities	4	882	38,615	-	39,497	19,831
Teaching schools	33	-	118	-	118	40
Other trading activities	5	519	261	-	780	997
Investments	6	-	-	-	-	1
Total income		1,978	33,591	2,533	38,102	21,394
Expenditure on:						
Charitable activities	7,8	767	39,798	782	41,347	21,452
Teaching schools	33	-	52	-	52	66
Total expenditure		767	39,850	782	41,399	21,518
Net income/ (expenditure)		1,211	(6,259)	1,751	(3,297)	(124)
Transfers between funds	20	-	(115)	115	-	-
Net movement in funds before other recognised gains/(losses)		1,211	(6,374)	1,866	(3,297)	(124)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	29	-	(193)	-	(193)	(1,892)
Net movement in funds		1,211	(6,567)	1,866	(3,490)	(2,016)

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	2021	2021	2021	2021	2020
Note	£000	£000	£000	£000	£000
Reconciliation of funds:					
Total funds brought forward	1,750	(12,656)	8,528	(2,378)	(362)
Net movement in funds	1,211	(6,567)	1,866	(3,490)	(2,016)
Total funds carried forward	<u>2,961</u>	<u>(19,223)</u>	<u>10,394</u>	<u>(5,868)</u>	<u>(2,378)</u>

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09940352

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	14	-	6
Tangible assets	15	8,250	6,623
		<u>8,250</u>	<u>6,629</u>
Current assets			
Stocks	16	90	56
Debtors	17	2,639	3,180
Cash at bank and in hand		6,318	2,356
		<u>9,047</u>	<u>5,592</u>
Creditors: amounts falling due within one year	18	(2,471)	(1,280)
Net current assets		<u>6,576</u>	<u>4,312</u>
Total assets less current liabilities		<u>14,826</u>	<u>10,941</u>
Creditors: amounts falling due after more than one year	19	(66)	-
Net assets excluding pension liability		<u>14,760</u>	<u>10,941</u>
Defined benefit pension scheme liability	29	(20,628)	(13,319)
Total net liabilities		<u>(5,868)</u>	<u>(2,378)</u>

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09940352

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	20	10,394	8,528
Restricted income funds	20	1,405	663
		<hr/>	<hr/>
Restricted funds excluding pension asset	20	11,799	9,191
Pension reserve	20	(20,628)	(13,319)
		<hr/>	<hr/>
Total restricted funds	20	(8,829)	(4,128)
Unrestricted income funds	20	2,961	1,750
		<hr/>	<hr/>
Total funds		<hr/> (5,868) <hr/>	<hr/> (2,378) <hr/>

The financial statements on pages 28 to 78 were approved by the Directors, and authorised for issue on 14 December 2021 and are signed on their behalf, by:



D J O'Mahoney
Director

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	2,657	(32)
Cash flows from investing activities	24	487	(293)
Cash flows from financing activities	23	818	1,573
Change in cash and cash equivalents in the year		3,962	1,248
Cash and cash equivalents at the beginning of the year		2,356	1,108
Cash and cash equivalents at the end of the year	25, 26	6,318	2,356

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Fund accounting

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

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

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

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

- **Transfer on conversion**

Where assets are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

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

Where assets are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the Transfer of an existing academy into the academy trust within Donations and capital grant income.

- **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the 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 allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

1. Accounting policies (continued)

1.5 Going concern

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

The reported share of the LGPS deficit at the Balance Sheet date has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy trust. Also being a faith school, the land and buildings occupied are not reflected on the balance sheet as described further under note 2. This has a direct impact on the academy trust's reported net asset position.

1.6 Tangible fixed assets

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

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

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

Leasehold improvements	- over 20 years
Leasehold land and buildings	- over 125 years
Furniture and equipment	- over 5 years
Computer equipment	- over 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the Bank.

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

1. Accounting policies (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight-line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Liabilities and Provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 as detailed in notes 18 and 19. 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 instruments.

1.12 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

1. Accounting policies (continued)

1.13 Pensions

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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1.14 Intangible assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on the following basis:

Computer software	- 33 % on cost
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.15 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from [name of predecessor school] to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.

1.16 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA 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 funds received and paid and any balances held are disclosed in note 32.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. In the current year the actuary has made assumptions to estimate the liability associated with McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £764,000.

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

2. Critical accounting estimates and areas of judgment (continued)

Critical areas of judgment:

Land – Land is held under a 125-year lease from South Tyneside Council relating to St Wilfrid's RC College. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

For the other schools within the academy trust, land is held under a 125-year lease from South Tyneside Council and Durham County Council. The significant risks and rewards of ownership belong to the academy trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academies could use them without major modification under accounting standard the land should be recognised in the Balance Sheet of the academy trust. ESFA valuations received in year valued land at £40,000 per hectare on a value in use basis. The academy trust has applied this methodology to schools with playing fields that converted in year.

The academy buildings are owned by the Diocese of Hexham and Newcastle. The academy trust occupies the buildings under a mere licence. The licence delegates aspects of the management of the buildings to the academy trust for the time being, but does not vest any rights over the buildings to the academy trust. The Diocese of Hexham and Newcastle has given an undertaking to the Secretary of State that they will not give academy trust less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the academy trust is occupying the buildings the Directors have concluded that the value of the buildings occupied by the academy trust at the date of conversion to an academy will not be recognised on the balance sheet of the academy trust. In addition, whilst the occupation constitutes a donation in kind to the academy trust, the Trustees consider that the cost of obtaining a valuation for such a donation outweighs the expense and therefore no such donation and related expense are included in the Statement of Financial Activities. Additions since conversion funded by grant bids or from GAG have been capitalised as leasehold improvements and written off over their economic life.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations					
Transfer from local authority on conversion	577	(5,409)	785	(4,047)	(442)
Acquisition of existing academy	-	-	-	-	(1,218)
	<u>577</u>	<u>(5,409)</u>	<u>785</u>	<u>(4,047)</u>	<u>(1,660)</u>
Donations	-	6	231	237	-
Capital Grants	-	-	1,517	1,517	2,185
Subtotal	<u>-</u>	<u>6</u>	<u>1,748</u>	<u>1,754</u>	<u>2,185</u>
	<u>577</u>	<u>(5,403)</u>	<u>2,533</u>	<u>(2,293)</u>	<u>525</u>
Total 2020	<u>966</u>	<u>(3,288)</u>	<u>2,847</u>	<u>525</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the academy trust's academy's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	32,500	32,500	16,415
Other DfE/ESFA grants				
Start Up Grants	-	275	275	150
Pupil Premium	-	1,499	1,499	880
PE and Sport Premium	-	108	108	44
UFSM	-	210	210	58
Rates	-	186	186	125
Year 7 Catch Up	-	-	-	34
Teachers' pay grant	-	391	391	234
Teachers' pension grant	-	1,358	1,358	727
Other DfE Group grants	-	433	433	125
	-	36,960	36,960	18,792
Other Government grants				
SEN	-	284	284	78
Early Years Funding	-	373	373	328
Local Authority grants	-	84	84	29
Other Government grants	-	59	59	59
	-	800	800	494
Other income from the academy trust's academy's educational operations	882	211	1,093	545
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	465	465	-
Other DfE/ESFA COVID-19 funding	-	179	179	-
	-	644	644	-
	882	38,615	39,497	19,831
Total 2020	498	19,333	19,831	

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

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

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

The trust received £465,000 of funding for catch-up premium and costs incurred in respect of this funding totalled £465,000.

5. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Non-student catering income	-	-	-	5
Rental and lettings income	8	-	8	4
Receipts from Supply Teacher Insurance claims	125	-	125	50
RPA Claims	11	-	11	17
Other	375	261	636	921
	<u>519</u>	<u>261</u>	<u>780</u>	<u>997</u>
Total 2020	<u>431</u>	<u>566</u>	<u>997</u>	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank Interest	-	-	1
	<u>1</u>	<u>1</u>	
Total 2020	<u>1</u>	<u>1</u>	

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

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
Direct costs	28,503	-	2,013	30,516	16,124
Allocated support costs	4,741	2,354	3,736	10,831	5,328
Teaching school	52	-	-	52	66
	<u>33,296</u>	<u>2,354</u>	<u>5,749</u>	<u>41,399</u>	<u>21,518</u>
Total 2020	<u>17,264</u>	<u>1,306</u>	<u>2,948</u>	<u>21,518</u>	

In 2021, of the total expenditure, £767,000 (2020: £786,000) was to unrestricted funds, £39,850,000 (2020: £20,234,000) to restricted funds and £782,000 (2020: £498,000) to restricted fixed asset funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the trust
- Fixed assets losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	30,516	10,831	41,347	21,452
Total 2020	16,124	5,328	21,452	

Analysis of direct costs

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	28,503	14,996
Educational supplies	254	268
Examination fees	431	152
Staff development	334	285
Technology costs	69	34
Educational consultancy	646	265
Supply insurance	112	94
Transport	152	30
Other costs	15	-
	30,516	16,124

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Net interest cost on pension scheme	265	146
Staff costs	4,741	2,202
Depreciation	782	498
Technology costs	488	225
Staff expenses	15	13
Maintenance of premises	480	240
Cleaning	327	171
Other premises costs	362	193
Energy	593	247
Rent and rates	205	128
Insurance	120	63
Operating lease rentals	108	50
Catering	800	345
Legal costs - conversion	30	41
Security Expense	19	6
Other costs	1,458	730
Governance costs	38	30
	<u>10,831</u>	<u>5,328</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	108	50
Depreciation of tangible fixed assets	782	497
Amortisation of intangible assets	6	1
Fees paid to auditors for:		
- audit	17	12
- other services	5	3
	<u>818</u>	<u>603</u>

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	23,440	12,394
Social security costs	2,440	1,290
Pension costs	6,662	3,285
	<hr/> 32,542	<hr/> 16,969
Agency staff costs	698	252
Staff restructuring costs	56	43
	<hr/> 33,296	<hr/> 17,264
	<hr/> <hr/>	<hr/> <hr/>

Staff restructuring costs comprise:

	2021 £000	2020 £000
Severance payments	56	43
	<hr/> 56	<hr/> 43
	<hr/> <hr/>	<hr/> <hr/>

Included in operating costs of defined pension schemes is a charge of £1,443,000 (2020 : £417,000) relating to the pension deficit actuarial adjustment. Also included is an accrual of £Nil (2020: £23,000) relating to pension costs.

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £3,000 (2020: £Nil). Individually, the payments were: £3,000.

c. Staff numbers

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

	2021 No.	2020 No.
Teaching staff	382	212
Administration and support staff	398	173
Management staff	16	8
	<hr/> 796	<hr/> 393
	<hr/> <hr/>	<hr/> <hr/>

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

10. Staff (continued)

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	14	10
In the band £70,001 - £80,000	9	2
In the band £80,001 - £90,000	3	2
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	-
In the band £120,001 - £130,000	1	-
In the band £170,001 - £180,000	-	1
In the band £180,001 - £190,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,824,000 (2020 : £854,000). The increase in key management personnel is due to have growth of the academy trust.

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

11. Central services

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

- Financial services
- HR
- Legal support services
- IT
- Catering
- School improvements
- Data Protection Officer services

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

Based on flat 5% of GAG.

The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
St Wilfrid's RC College	336	298
St Joseph's Catholic Academy	285	282
Our Lady of the Rosary Catholic Primary School	56	57
St Mary's Catholic Primary School	47	45
St Anthony's Girls' Catholic Academy	340	79
St Aidan's Catholic Academy	220	52
St Godrics Catholic School, Thornley	23	6
St Marys Catholic Primary School, Wingate	16	4
St Aloysius Catholic Junior School Academy	38	-
St Aloysius Catholic Infant School, Hebburn	29	-
St Joseph's Catholic Primary School, Jarrow	32	-
St Leonard's Catholic Primary School, Silksworth	26	-
St Bede's Catholic School and Byron Sixth Form College	119	-
St Patrick's Catholic Primary School, Ryhope	13	-
St Bede's Catholic Primary School, South Shields	19	-
St Peter and Paul Catholic Primary School, South Shields	17	-
St Cuthbert's Catholic Primary School, Seaham	7	-
Total	1,623	823

12. Directors' remuneration and expenses

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

During the year ended 31 August 2021, no Director expenses have been incurred (2020 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Directors' and Officers' insurance

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

14. Intangible assets

	Computer software £000
Cost	
At 1 September 2020	7
	<hr/>
At 31 August 2021	7
	<hr/>
Amortisation	
At 1 September 2020	1
Charge for the year	6
	<hr/>
At 31 August 2021	7
	<hr/>
Net book value	
At 31 August 2021	-
	<hr/> <hr/>
At 31 August 2020	6
	<hr/> <hr/>

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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15. Tangible fixed assets

	Leasehold land and buildings £000	Leasehold improve- ments £000	Furniture and equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 September 2020	1,539	4,905	677	658	1	7,780
Additions	28	901	88	347	395	1,759
Acquired on conversion	496	69	17	62	-	644
Transfers between classes	(83)	147	(64)	-	-	-
At 31 August 2021	1,980	6,022	718	1,067	396	10,183
Depreciation						
At 1 September 2020	55	661	148	293	-	1,157
Charge for the year	10	255	212	299	-	776
Transfers between classes	-	6	(6)	-	-	-
At 31 August 2021	65	922	354	592	-	1,933
Net book value						
At 31 August 2021	1,915	5,100	364	475	396	8,250
At 31 August 2020	1,484	4,244	529	365	1	6,623

16. Stocks

	2021 £000	2020 £000
Educational materials stock	90	56

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17. Debtors

	2021 £000	2020 £000
Trade debtors	35	36
Prepayments and accrued income	2,300	2,761
VAT repayable	304	383
	<u>2,639</u>	<u>3,180</u>

18. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Other loans	14	-
Trade creditors	85	672
Other taxation and social security	676	19
Other creditors	875	214
Accruals and deferred income	821	375
	<u>2,471</u>	<u>1,280</u>

	2021 £000	2020 £000
Deferred income at 1 September 2020	130	102
Resources deferred during the year	278	130
Amounts released from previous periods	(130)	(102)
	<u>278</u>	<u>130</u>

At the balance sheet date the academy trust was holding funds received in advance relating to rates relief, Universal Infant Free School Meals and early years funding paid for in advance.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Creditors: Amounts falling due after more than one year

	2021 £000	2020 £000
Other loans	66	-
	<u>66</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	2021 £000	2020 £000
Between one and two years		
Other loans	13	-
	<u>13</u>	<u>-</u>
Between two and five years		
Other loans	41	-
	<u>41</u>	<u>-</u>
Over five years		
Other loans	12	-
	<u>12</u>	<u>-</u>

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted general funds	1,750	1,978	(767)	-	-	2,961
Restricted general funds						
General Annual Grant (GAG)	563	32,500	(31,759)	(115)	-	1,189
Conversion grants	100	275	(225)	-	-	150
Pupil Premium	-	1,499	(1,499)	-	-	-
Other DfE/ESFA grants	-	2,686	(2,686)	-	-	-
SEN	-	284	(284)	-	-	-
Other Government grants	-	516	(516)	-	-	-
COVID funding	-	644	(644)	-	-	-
Other income	-	211	(211)	-	-	-
Donations	-	6	(6)	-	-	-
Partnership fund / Staff recharge	-	261	(261)	-	-	-
Teaching school income	-	118	(52)	-	-	66
Pension reserve	(13,319)	(5,409)	(1,707)	-	(193)	(20,628)
	<u>(12,656)</u>	<u>33,591</u>	<u>(39,850)</u>	<u>(115)</u>	<u>(193)</u>	<u>(19,223)</u>
Restricted fixed asset funds						
Assets inherited on conversion	1,720	671	(82)	-	-	2,309
Devolved Formula Capital	594	321	(201)	-	-	714
Condition Improvement Fund	5,403	-	(209)	-	-	5,194

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Capital expenditure from GAG	644	-	(172)	115	-	587
Capital expenditure from Pupil Premium	1	-	(1)	-	-	-
Donations	166	-	(64)	-	-	102
School Condition Allocation	-	1,336	(2)	-	-	1,334
Assets donated from DfE	-	205	(51)	-	-	154
	<u>8,528</u>	<u>2,533</u>	<u>(782)</u>	<u>115</u>	<u>-</u>	<u>10,394</u>
Total Restricted funds	<u>(4,128)</u>	<u>36,124</u>	<u>(40,632)</u>	<u>-</u>	<u>(193)</u>	<u>(8,829)</u>
Total funds	<u><u>(2,378)</u></u>	<u><u>38,102</u></u>	<u><u>(41,399)</u></u>	<u><u>-</u></u>	<u><u>(193)</u></u>	<u><u>(5,868)</u></u>

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. Statement of funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

Conversion grant is funding towards the conversion costs of becoming an academy.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE/ESFA grants include Teachers Pension Grant, Teachers Pay Grant, Rates Relief, Year 7 catch up and sponsor capacity grant income.

Other Government grants includes early years funding for the provision of nursery services.

COVID-19 funding received to assist in the catch up of education following the pandemic.

SEN is additional funding for pupils with special educational needs.

Teaching school is funding from National College Teaching School to support teaching school status.

Partnership fund/staff recharges consists of recharges of costs relating to staffing, leadership and resources from other academy schools where the Executive Headteacher of Bishop Chadwick Catholic Education Trust serves as a board member, director or senior leadership member.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 29.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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

20. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted general funds	640	1,896	(786)	-	-	1,750
Restricted general funds						
General Annual Grant (GAG)	176	16,918	(16,221)	(310)	-	563
Conversion grants	-	150	(50)	-	-	100
Pupil Premium	-	880	(880)	-	-	-
Other DfE/ESFA grants	-	1,347	(1,347)	-	-	-
SEN	-	78	(78)	-	-	-
Other Government grants	-	416	(416)	-	-	-
Other income	-	47	(47)	-	-	-
Partnership fund / Staff recharge	-	566	(566)	-	-	-
Teaching school income	-	40	(66)	26	-	-
Pension reserve	(7,073)	(3,791)	(563)	-	(1,892)	(13,319)
	(6,897)	16,651	(20,234)	(284)	(1,892)	(12,656)
Restricted fixed asset funds						
Assets inherited on conversion	1,717	56	(53)	-	-	1,720
Devolved Formula Capital	402	312	(120)	-	-	594
Condition Improvement Fund	3,509	2,122	(226)	-	-	5,405

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

20. Statement of funds (continued)

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Capital expenditure from GAG	267	182	(90)	284	-	643
Capital expenditure from Pupil Premium	-	2	(1)	-	-	1
Donations	-	173	(8)	-	-	165
	<u>5,895</u>	<u>2,847</u>	<u>(498)</u>	<u>284</u>	<u>-</u>	<u>8,528</u>
Total Restricted funds	<u>(1,002)</u>	<u>19,498</u>	<u>(20,732)</u>	<u>-</u>	<u>(1,892)</u>	<u>(4,128)</u>
Total funds	<u><u>(362)</u></u>	<u><u>21,394</u></u>	<u><u>(21,518)</u></u>	<u><u>-</u></u>	<u><u>(1,892)</u></u>	<u><u>(2,378)</u></u>

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
St Wilfrid's RC College	1,805	717
St Joseph's Catholic Academy	166	38
Our Lady of the Rosary Catholic Primary School	90	(40)
St Mary's Catholic Primary School	488	337
St Anthony's Girls' Catholic Academy	1,540	1,284
St Aidan's Catholic Academy	163	77
St Godrics Catholic School, Thornley	44	78
St Marys Catholic Primary School, Wingate	23	44
St Aloysius Catholic Junior School Academy	137	-
St Aloysius Catholic Infant School, Hebburn	18	-
St Joseph's Catholic Primary School, Jarrow	40	-
St Leonard's Catholic Primary School, Silksworth	39	-
St Bede's Catholic School and Byron Sixth Form College	(328)	-
St Patrick's Catholic Primary School, Ryhope	97	-
St Bede's Catholic Primary School, South Shields	32	-
St Peter and Paul Catholic Primary School, South Shields	129	-
St Cuthbert's Catholic Primary School, Seaham	116	-
Central services	<u>(233)</u>	<u>(122)</u>

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

20. Statement of funds (continued)

	2021 £000	2020 £000
Total before fixed asset funds and pension reserve	4,366	2,413
Restricted fixed asset fund	10,394	8,528
Pension reserve	(20,628)	(13,319)
Total	<u>(5,868)</u>	<u>(2,378)</u>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £000
St Bede's Catholic School and Byron Sixth Form College	(328)
Central services	<u>(233)</u>

The academy trust is taking the following action to return the academies to surplus:

St Bede's Catholic School and Byron Sixth Form College is experiencing a period of rapid growth in pupils numbers as a result of significantly improved standards and enhanced standing within the local community. The academy has been required to increase staffing levels to accommodate increased pupil numbers but lagged funding has resulted in a deficit during this period of rapid growth. The academy is expected to return to an in-year surplus in 2023-24, i.e. within the medium-term financial plan.

Central services - The deficit is as a result of the need to build capacity within the Central Services function to support schools joining the academy trust as part of the Diocesan growth plan. The academy trust has grown from 8 schools at 1 September 2020 to 21 schools as of 14 December 2021. The Central Services function is funded via contributions from academies within the academy trust. As the academy trust grows, the Central Service contribution grows and therefore based on the current central services offering, the Central Service function will be able to report a surplus as part of the medium-term financial plan.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
St Wilfrid's RC College	5,223	495	58	1,192	6,968	7,511
St Joseph's Catholic Academy	4,730	574	25	1,117	6,446	6,246
Our Lady of the Rosary Catholic Primary School	999	154	14	247	1,414	1,385
St Mary's Catholic Primary School	846	185	19	170	1,220	1,285
St Anthony's Girls' Catholic Academy	5,708	726	12	1,105	7,551	1,631
St Aidan's Catholic Academy	3,107	595	80	820	4,602	1,033
St Godrics Catholic School, Thornley	389	114	6	92	601	126
St Marys Catholic Primary School, Wingate	275	84	2	69	430	98
St Aloysius Catholic Junior School Academy	582	113	2	115	812	-
St Aloysius Catholic Infant School, Hebburn	615	159	-	100	874	-
St Joseph's Catholic Primary School, Jarrow	603	125	6	121	855	-
St Leonard's Catholic Primary School, Silksworth	415	89	2	97	603	-

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20. Statement of funds (continued)

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
St Bede's Catholic School and Byron Sixth Form College	2,295	299	26	673	3,293	-
St Patrick's Catholic Primary School, Ryhope	185	41	-	37	263	-
St Bede's Catholic Primary School, South Shields	309	74	-	63	446	-
St Peter and Paul Catholic Primary School, South Shields	271	43	-	61	375	-
St Cuthbert's Catholic Primary School, Seaham	110	21	-	13	144	-
Central services	1,988	749	1	982	3,720	1,705
Academy trust	28,650	4,640	253	7,074	40,617	21,020

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	8,250	8,250
Current assets	2,983	3,920	2,144	9,047
Creditors due within one year	(36)	(2,435)	-	(2,471)
Creditors due in more than one year	14	(80)	-	(66)
Provisions for liabilities and charges	-	(20,628)	-	(20,628)
Total	2,961	(19,223)	10,394	(5,868)

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21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	6,623	6,623
Intangible fixed assets	-	-	6	6
Current assets	1,750	1,582	2,260	5,592
Creditors due within one year	-	(919)	(361)	(1,280)
Provisions for liabilities and charges	-	(13,319)	-	(13,319)
Total	1,750	(12,656)	8,528	(2,378)

22. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £000	2020 £000
Net expenditure for the year (as per Statement of Financial Activities)	(3,297)	(124)
Adjustments for:		
Amortisation	6	1
Depreciation	776	497
Capital grants from DfE and other capital income	(1,748)	(2,185)
Dividends, interest and rents from investments	-	(1)
Defined benefit pension scheme obligation inherited	5,409	3,791
Defined benefit pension scheme cost less contributions payable	1,442	417
Defined benefit pension scheme finance cost	265	146
Decrease/ (Increase) in stocks	(34)	(45)
Decrease/ (Increase) in debtors	(275)	506
Increase/(decrease) in creditors	1,475	(904)
Assets inherited on conversion	(1,362)	(2,131)
Net cash provided by/(used in) operating activities	2,657	(32)

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23. Cash flows from financing activities

	2021 £000	2020 £000
Cash inflows from new borrowing	80	-
Cash inherited on conversion	738	1,573
Net cash provided by financing activities	818	1,573

24. Cash flows from investing activities

	2021 £000	2020 £000
Dividends, interest and rents from investments	-	1
Purchase of tangible fixed assets	(1,918)	(357)
Capital grants from DfE Group	2,405	63
Net cash provided by/(used in) investing activities	487	(293)

25. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	6,318	2,356
Total cash and cash equivalents	6,318	2,356

26. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	2,356	3,962	6,318
Debt due within 1 year	-	(14)	(14)
Debt due after 1 year	-	(66)	(66)
	2,356	3,882	6,238

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NOTES TO THE FINANCIAL STATEMENTS
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27. Conversion to an academy trust

On 1 December 2020 St Aloysius Catholic Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from South Tyneside Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Other tangible fixed assets	-	24	24
Current assets			
Cash - representing budget surplus on LA funds	37	-	37
Cash - DFC surplus	-	2	2
Net assets	<u>37</u>	<u>26</u>	<u>63</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Conversion to an academy trust (continued)

On 1 December 2020 St Aloysius Catholic Junior School Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from South Tyneside Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	25	25
Other tangible fixed assets	-	11	11
Current assets			
Cash - representing budget surplus on LA funds	3	-	3
Cash - representing budget surplus on other school funds	23	-	23
Cash - DFC surplus	-	3	3
Net assets	<u>26</u>	<u>39</u>	<u>65</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Conversion to an academy trust (continued)

On 1 December 2020 St Joseph's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from South Tyneside Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	32	32
Other tangible fixed assets	-	6	6
Current assets			
Cash - representing budget surplus on LA funds	52	-	52
Cash - representing budget surplus on other school funds	16	-	16
Cash - DFC surplus	-	18	18
Net assets	<u>68</u>	<u>56</u>	<u>124</u>

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NOTES TO THE FINANCIAL STATEMENTS
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27. Conversion to an academy trust (continued)

On 1 December 2020 St Leonard's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from Sunderland City Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	35	35
Other tangible fixed assets	-	1	1
Current assets			
Cash - representing budget surplus on LA funds	39	-	39
Cash - representing budget surplus on other school funds	3	-	3
Cash - DFC surplus	-	11	11
Net assets	<u>42</u>	<u>47</u>	<u>89</u>

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NOTES TO THE FINANCIAL STATEMENTS
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27. Conversion to an academy trust (continued)

On 1 January 2021 St Bede's Catholic School and Byron Sixth Form College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from Durham County Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	368	368
Other tangible fixed assets	-	15	15
Current assets			
Cash - representing budget surplus on LA funds	52	-	52
Cash - representing budget surplus on other school funds	29	-	29
Cash - DFC surplus	-	76	76
Net assets	<u>81</u>	<u>459</u>	<u>540</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Conversion to an academy trust (continued)

On 1 April 2021 St Bede's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from South Tyneside Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	7	7
Other tangible fixed assets	-	12	12
Current assets			
Cash - representing budget surplus on LA funds	18	-	18
Cash - representing budget surplus on other school funds	3	-	3
Net assets	<u>21</u>	<u>19</u>	<u>40</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Conversion to an academy trust (continued)

On 1 April 2021 St Patrick's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from Sunderland City Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	23	23
Current assets			
Cash - representing budget surplus on LA funds	65	-	65
Cash - representing budget surplus on other school funds	1	-	1
Cash - DFC surplus	-	21	21
Net assets	<u>66</u>	<u>44</u>	<u>110</u>

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27. Conversion to an academy trust (continued)

On 1 May 2021 St Peter and Paul Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from South Tyneside Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Other tangible fixed assets	-	50	50
Current assets			
Cash - representing budget surplus on LA funds	113	-	113
Cash - representing budget surplus on other school funds	19	-	19
Cash - DFC surplus	-	11	11
Net assets	132	61	193

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27. Conversion to an academy trust (continued)

On 1 July 2021 St Cuthbert's Catholic Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from Durham County Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	24	24
Other tangible fixed assets	-	11	11
Current assets			
Cash - representing budget surplus on LA funds	105	-	105
Net assets	<u>105</u>	<u>35</u>	<u>140</u>

28. Capital commitments

	2021 £000	2020 £000
Contracted for but not provided in these financial statements		
Purchase, construction or development of leasehold improvements	<u>1,321</u>	<u>535</u>

29. Pension commitments

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 South Tyneside Council and Durham County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £686,000 were payable to the schemes at 31 August 2021 (2020 - £15,000) and are included within creditors.

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29. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. 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 actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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 year amounted to £4,119,000 (2020 - £2,224,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,394,000 (2020 - £783,000), of which employer's contributions totalled £1,086,000 (2020 - £624,000) and employees' contributions totalled £ 308,000 (2020 - £159,000). The agreed contribution rates for future years are 28.7 % for employers and 5.5 - 8.5 % for employees.

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

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29. Pension commitments (continued)

Principal actuarial assumptions

Tyne and Wear Pension Fund

	2021 %	2020 %
Rate of increase in salaries	4.10	3.80
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30
Commutation of pensions to lump sums	75.0	75.0

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

	2021 Years	2020 Years
Retiring today		
Males	21.9	21.8
Females	25.1	25.0
Retiring in 20 years		
Males	23.6	23.5
Females	26.9	26.8

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29. Pension commitments (continued)

Durham County Council Pension Fund

	2021	2020
	%	%
Rate of increase in salaries	3.70	3.40
Rate of increase for pensions in payment/inflation	2.70	2.40
Discount rate for scheme liabilities	1.70	1.60
Inflation assumption (CPI)	2.70	2.40
Commutation of pensions to lump sums	80.0	80.0

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

	2021	2020
	Years	Years
Retiring today		
Males	22.3	22.2
Females	24.3	24.2
Retiring in 20 years		
Males	23.3	23.2
Females	25.8	25.7

Sensitivity analysis

Tyne & Wear Pension Fund

	2021	2020
	£000	£000
Discount rate +0.1%	(1,086)	(716)
Discount rate -0.1%	1,133	748
Mortality assumption - 1 year increase	(1,741)	(1,104)
Mortality assumption - 1 year decrease	1,741	1,107
CPI rate +0.1%	891	591
CPI rate -0.1%	(852)	(564)

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29. Pension commitments (continued)

Share of scheme assets

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

	2021 £000	2020 £000
Equities	14,602	9,169
Corporate bonds	5,175	3,840
Government bonds	990	693
Property	2,038	1,558
Cash	1,061	367
Other	2,338	1,610
Total market value of assets	26,204	17,237

The actual return on scheme assets was £2,783,000 (2020 - £173,000).

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

	2021 £000	2020 £000
Current service cost	(2,528)	(1,041)
Interest income	347	218
Interest cost	(612)	(364)
Total amount recognised in the Statement of Financial Activities	(2,793)	(1,187)

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

	2021 £000	2020 £000
At 1 September	30,556	16,546
Conversion of academy trusts	10,414	931
Transferred in on existing academies joining the trust	-	9,853
Current service cost	2,528	1,041
Interest cost	612	364
Employee contributions	308	159
Actuarial losses	3,031	1,847
Benefits paid	(617)	(185)
At 31 August	46,832	30,556

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29. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	17,237	9,473
Conversion of academy trusts	-	373
Transferred in on existing academies joining the trust	5,005	6,620
Expected return on assets	347	218
Actuarial gains/(losses)	2,838	(45)
Employer contributions	1,086	624
Employee contributions	308	159
Benefits paid	(617)	(185)
At 31 August	<u>26,204</u>	<u>17,237</u>

30. Operating lease commitments

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

	2021 £000	2020 £000
AMOUNTS PAYABLE:		
Within one year	71	71
Between one and five years	44	41
	<u>115</u>	<u>112</u>

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31. Related party transactions

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

Expenditure related party transactions

Diocese of Hexham and Newcastle - appoints the members of the academy trust:

The academy trust paid £50,000 (2020: £29,000) for Catholic educational supplies. There were no amounts outstanding at 31 August 2021 (2020: £nil).

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

St Bede's Catholic Comprehensive School - an organisation in which T B Tapping is the Executive Head Teacher:

The academy trust received income totalling £13,000 (2020 : £174,000) for recharges of costs relating to staffing, leadership and resources. There were no amounts outstanding at 31 August 2021 (2020: £nil).

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

Income related party transactions

Career College North East - an organisation in which T B Tapping and P M Melia are board members:

The academy trust received income totalling £nil (2020 : £98,000) for recharges of costs relating to staffing, leadership and resources. There were no amounts outstanding at 31 August 2021 (2020: £nil).

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

St Bede's Catholic Comprehensive School - an organisation in which T B Tapping is the Executive Head Teacher:

The academy trust received income totalling £52,000 (2020 : £515,000) for recharges of costs relating to staffing, leadership and resources. There were no amounts outstanding at 31 August 2021 (2020: £nil).

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

32. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust received £22,000 (2020: £52,000) and disbursed £32,000 (2020: £32,000) from the fund. An amount of £101,000 (2020: £111,000) is included in other creditors relating to undistributed funds.

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33. Teaching school trading account

	2021 £000	2021 £000	2020 £000	2020 £000
Income				
Direct income				
National College Teaching Schools	118		40	
Total income		118		40
Expenditure				
Direct expenditure				
Direct staff costs	47		47	
Other expenditure				
Other staff costs	5		19	
Total expenditure		52		66
Transfers between funds excluding depreciation		-		26
Surplus from all sources		66		-
Teaching school balances at 1 September 2020		-		-
Teaching school balances at 31 August 2021		66		-