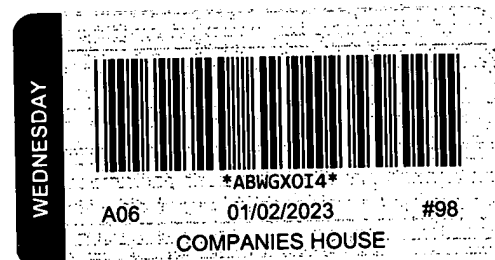


Company Registration Number: 07808732 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022



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

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Right Reverend R Byrne, Bishop of Hexham and Newcastle
D Fox
J Ledger (resigned 31 March 2022)
Rev. Canon P Leighton, Vicar General
Rev. S Lerche, Episcopal Vicar, Education

Directors

Y R Coates, Chair from 14 September 2022
M Matthews, Chair to 13 September 2022
A M Aisbitt
E E Bradshaw
Fr J Butters
P M Frank
A D Mitchell
S E Monk (appointed 14 September 2022)
C A Powell
I M Sebastine
C R Wiper

Company registered number

07808732

Company name

Bishop Hogarth Catholic Education Trust

Principal and registered office

Carmel RC College
The Headlands
Darlington
County Durham
DL3 8RW

Company secretary

Prima Secretary Limited

Senior management team

M P Shorten, Chief Executive Officer & Accounting Officer from 1 September 2022 (Deputy CEO to 31 August 2022)
Dame M Regan DBE, OBE, DL, Chief Executive Officer (to 31 August 2022)
T Abbott, Chief Operating Officer (from August 2022)
J Moorhouse, Chief Operating Officer (to August 2022)
D Leane, Chief Financial Officer
J Kenshole, Director of Governance

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Independent auditors

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

Bankers

National Westminster Bank plc
25 High Row
Darlington
County Durham
DL3 7QP

Solicitors

Womble Bond Dickinson (UK) LLP
The Spark
Draymans Way
Newcastle Helix
Newcastle upon Tyne
NE4 5DE

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Directors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Academy Trust operates five secondary and thirty primary Catholic academies in the Diocese of Hexham and Newcastle, covering Darlington, Durham, Hartlepool and Stockton-on-Tees. Its academies have a combined pupil capacity of 14,106 and had a roll of 12,611 in the school census on 19 May 2022.

During the year, the Academy Trust completed the implementation of the Diocesan Academy Plan, growing from 29 to 35 schools with the following schools joining the Academy Trust during the year:

- St John Vianney Catholic Primary School, Hartlepool – joined 1 December 2021
- Blessed John Duckett Catholic Primary School, Tow Law – joined 1 February 2022
- St Wilfrid's Catholic Primary School, Bishop Auckland – joined 1 February 2022
- St Cuthbert's Catholic Primary School, Crook – joined 1 May 2022
- St Mary's Catholic Primary School, Barnard Castle – joined 1 May 2022
- St Mary's Catholic Primary School, Newton Aycliffe – joined 1 May 2022

Structure, governance and management

Constitution

The Academy Trust is a Charitable Company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Bishop Hogarth Catholic Education Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Bishop Hogarth Catholic Education Trust.

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.

Directors' 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.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 and Governors. Members of the Company form the first governing body and are its first Directors (Directors). They appoint a governing body to which they delegate their duties (in our case the Trust Directors).

The Members of the Bishop Hogarth Catholic Education Trust are as follows:

- a. The Right Reverend Robert Byrne, Bishop of Hexham and Newcastle
- b. Deborah Fox, Director of Education
- c. Jeff Ledger (to 31 March 2022)
- d. Rev. Canon Peter Leighton, Vicar General
- e. Rev. Simon Lerche, Episcopal Vicar, Education

The term of office for any Director shall be 4 years. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

Policies adopted for the induction and training of Directors

The training and induction provided for new Directors and Governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Directors meet with the Governance Manager and are provided with copies of the Articles of Association, Scheme of Delegation, schedule of meeting dates, Directors Code of Conduct, committee & organisational structure. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. Induction is tailored specifically to the individual. During induction Directors and Governors are provided access to the NGA Learning link which provides online learning resources including induction.

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

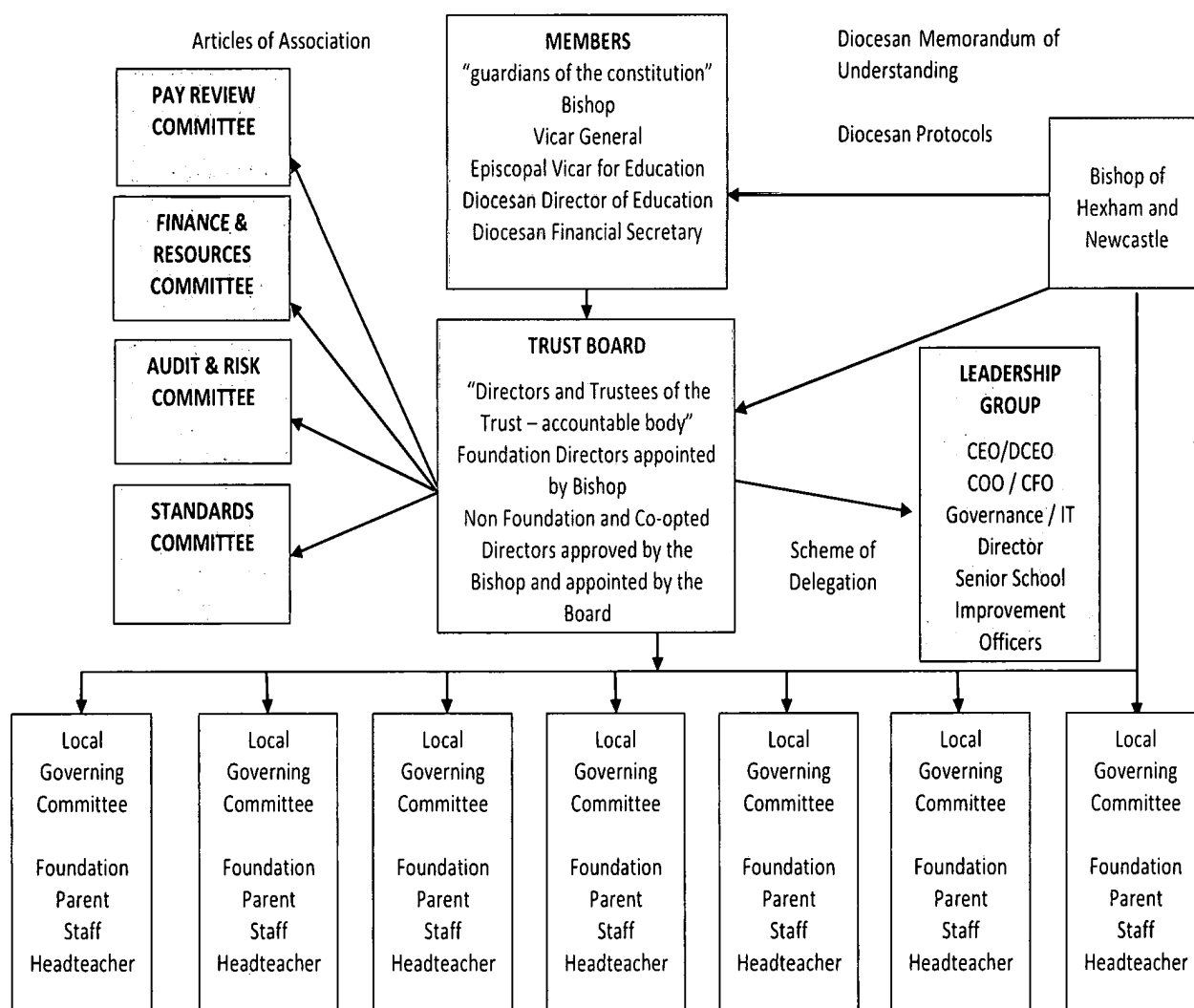
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Organisational structure

The Bishop Hogarth Catholic Education Trust is a Multi-Academy Trust and as such is a single legal entity with one governing body (the Board of Directors) which is accountable for all academies in the Trust. The Directors are the Governors. Each Academy within the Academy Trust has its own Local Governing Committee to which the Academy Trust governing body (the Board of Directors) delegates functions to (through the Scheme of Delegation). Local Governing Committees are committees of the Academy Trust's governing body and are accountable to the Board of Directors. Members of the Local Governing Committees are not Governors (although they are referred to as such). The Governance Structure below includes seven Local Governing Committees as an example. In total, the thirty-five school in the Academy Trust are accountable to thirty-three Local Governing Committees and one Joint Local Governing Committee.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST – GOVERNANCE STRUCTURE



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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021-22 and Performance Appraisal Policy adopted by the Academy Trust. These policies include 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 Pay Review Committee deals with all pay and performance matters relating to staff including the Chief Executive Officer, the Deputy Chief Executive Officer, Principals, Headteachers and other members of key management personnel in accordance with the approved Pay Policy. At least three Directors are members of the committee none of whom are employees of the Academy Trust.

a. Trade Union facility time

Trade Union facility time

The Trust pays into a local authority scheme that provides this service.

Related parties and other connected charities and organisations

Bishop Hogarth Services limited is a 100% subsidiary of Bishop Hogarth Catholic Education Trust. The principal activity of the company is the provision of support services to primary schools.

Further details regarding other related parties are stated in note 29 to the Financial Statements

Engagement with employees (including disabled persons)

In order to better engage with employees and their representatives the Academy Trust has established the Joint Consultative Committee (JCC) to provide a forum for discussion, consultation and negotiation on the following:

- Employment relation matters
- Policy development
- Working arrangements
- Training and development
- Welfare
- Terms and conditions of employment
- Pay
- Pensions
- Health & Safety
- Equality issues
- Developments in the Academy Trust

The JCC comprises the:

- Chair of Directors
- Chief Executive Officer
- Deputy Chief Executive Officer
- Chief Operating Officer
- Director of Governance
- HR Advisors
- Representatives of the Academy Trust's recognised trade unions

The committee considers key policies, procedures, strategic development issues and budget considerations prior to roll-out for individual and collective consultation with staff.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

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

The overall vision of the Academy Trust is wider than the provision of education to our pupils. The Academy Trust and our schools recognise that we are part of a community of stakeholders and our vision reflects this ethos:

'Our schools are places of excellence – providing service and witness to children, their families and the wider Catholic community, adding value as a family of schools and enriching the learning and experience of all our young people, so they may achieve their full potential.'

Directors and Governors have a crucial role to play in connecting their school with the wider community of business and other professional people in order to enhance the education and career aspirations of pupils. The Board encourages each secondary school to have a nominated individual who takes a strategic interest in careers education and guidance and encourages employer engagement. Additionally, each Local Governing Committee is requested to have a link Governor with responsibility for community engagement. The role includes:

- Reviewing staff / parent and student surveys and report issues to governing committee/relevant working groups.
- Monitoring school responses to issues raised in surveys.
- Attending meetings of the School Council and championing its voice on the Governing Committee.
- Undertaking periodic checks of website to ensure all statutory information is published on website.
- Promoting the work of the school and coordinating items for termly governor newsletter to parents.
- Developing a good understanding of the priorities of the school community including the business community.
- Representing the Governing Committee in any community forums or meetings.

Our schools engage with the 8 Gatsby benchmarks to link and involve businesses with our career programmes. The benchmarks include:

- A stable careers programme
- Learning from careers and labour market information
- Addressing the needs of each student
- Linking curriculum learning to careers
- Encounters with employers and employees
- Experiences of workplaces
- Encounters with further and higher education
- Personal guidance

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

Objectives and activities

Objects and aims

The main objectives of the Academy Trust during the year ended 31 August 2022 are as summarised below:

- a. The Company's objects ("the Objects") are specifically restricted to the advancement of the Catholic religion in the Diocese by such means as the Diocesan Bishop may think fit and proper by, but without prejudice to the generality of the foregoing the establishing, maintaining, carrying on, managing and developing of Catholic schools in the United Kingdom conducted in accordance with the principles, and subject to the regulations and discipline of the Catholic Church.
- b. Subject to the approval of the Diocesan Bishop, during the period that the objects in 4(a) are being fulfilled and form the majority of the activities of the Company, the advancement of education by the establishing, maintaining, carrying on, managing and developing of schools which are not Catholic in the United Kingdom.

Objectives, strategies and activities

The Academy Trust has set out the main objectives it wants to pursue in the Trust Development Plan that was approved by Directors in May 2022. The Plan sets out the Academy Trust's vision, values, outcomes and priorities for the period 2021-22 as follows:

1. BHCET continues to grow in size in the academic year 2021/2022, with completion by May 2022, totaling 35 schools, 30 primary and 5 secondaries. Getting to know the Academy Trust 'stock' of schools is essential. Understanding the strengths and wide variety of skills that can be called upon is essential in this early stage of Trust development.
2. With a variety of experience, time in the Academy Trust, and approaches to education found in the 35 headteachers, a priority will be to establish with all heads the Academy Trust development foundations and assumptions, such as principles of working, Catholic social teaching, and methodologies around strategic development:
 - a. Virtues, Virtue Theory, and character development.
 - b. Catholic Social Teaching, Subsidiarity, Solidarity and the Common Good.
 - c. Leadership Culture and the collective responsibility for the leaders of the future.
 - d. Academy Trust continuity curriculum KS1-KS5, it's co-design and the collective efficacy of establishing a challenging and progressive curriculum.
3. The essential foundations to education and the greatest impact on life chances for children from all backgrounds is fluency of reading and mathematical skills. BHCET will aim to ensure that all children within the schools have the resources, opportunities and skilled teaching to have the best foundations to their life of learning.
4. The support structures of finance, estates, IT and communications are essential to the smooth running of schools and establishing an Academy Trust that is efficient and effective in providing a highly effective education. The Academy Trust will establish consistent strategies to maintain compliant, efficient and effective finance strategies that accommodate the needs of all school contexts.
5. The investment in high quality learning environments, that visibly reflect the importance of investment in the children's education, will be kept as a priority with specific emphasis on addressing 'condition' and 'educational improvements' through the Academy Trust's estates strategy.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

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

Key performance indicators

School Performance 2022

Overall attainment at the end of Key Stage 2 for the Academy Trust in Summer 2022 was 4% higher than national, with 63% of year 6 pupils at one of the Academy Trust's 30 primary schools achieving at least the expected standard in reading, writing and maths. Attainment at the expected standard also exceeded national in each subject, with reading, at 80%, exceeding national by 6%, writing 3% above national at 72% and maths 4% higher than national at 75%.

At a Higher standard, Academy Trust attainment was the same as national in reading, at 28%, but was 3% lower than national in writing, at 10%, and maths, at 19%. Consequently, combined attainment in reading, writing and maths was 2% lower than national at 5%.

Progress at Key Stage 2 from Key Stage 1 starting points compares well to national in reading, with a score of +0.12, although progress was lower in comparison to national in both writing (-0.28) and maths (-0.41).

The gap between disadvantaged and other pupils in the Academy Trust for combined reading, writing and maths attainment at the expected standard or higher was the same as national at 22%. Academy Trust averages for both disadvantaged pupils and other pupils in this combined attainment measure exceeded their national counterparts by 4%.

Overall progress at GCSE continues to be positive, with both Carmel College and Our Lady & St Bede continuing to make progress above national and St Michael's Catholic Academy progress 8 score improving by 0.12 on 2019 to be closer to national. Overall, the Progress 8 score for the Academy Trust, based on the 3 schools who have been with the Academy Trust for 3 years or more, is in-line with national at 0.00. Including English Martyrs Catholic School and Sixth Form and St John's Catholic School and Sixth Form reduces the Academy Trust's progress 8 score to -0.13. The disadvantaged gap for the Academy Trust has opened further in 2022, with the gap similar to 2018, following a large reduction in 2019. The disadvantaged gap for the Academy Trust mirrors national performance of 0.7.

The attainment 8 score for all five Academy Trust schools, at 49.4, is above the national average of 48.7. Combined attainment in GCSE English and maths at the standard pass (grade 9-4) also exceeds the latest national averages with 73% of students achieving this threshold compared to 69% nationally. However, attainment at the strong pass (grade 9-5) in both these subjects was 2 lower than national at 48% with only Carmel College (at 64%) and Our Lady & St Bede (at 54%) exceeding national here.

The entry rate for the English Baccalaureate has continued to improve, especially in schools who have been with the Academy Trust for 3 years or more, with both Carmel College (71%) and Our Lady & St Bede (56%) well above the latest national figure of 39%. The Academy Trust average here, was 35% (up 5%) for all 5 schools and 44% (up 8%) in schools who have been with the Academy Trust for 3 years or more.

Average EBacc attainment is in-line with national with all 5 schools averaging 4.25. The average based on schools who have been with the Academy Trust for 3 years or more was 4.43. Academy Trust EBacc

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

attainment in the standard pass and strong pass thresholds was slightly lower than national averages based on all five schools, although is above national based on schools who have been with the Academy Trust for 3 years or more.

2022 A Level attainment was up on 2019 in all three 6th Forms with the average A Level grade per entry at 'B' for the Academy Trust schools. Disadvantaged students attainment was similar to this at 'B-'. A third of A level entries across the 3 schools were awarded the top A Level grades of A*-A. All vocational entries were passed across the Academy Trust, with 58% graded Distinction or Distinction*.

Tees Valley Teaching School Hub

The Tees Valley Teaching School Hub was designated by the Department for Education (DfE) in Summer of 2021 to deliver its commitments set out in the Teacher Recruitment and Retention Strategy. This strategy created a golden thread of high quality evidenced based support, training, and development available at all stages of a teacher's career. Central to these reforms the Teaching School Hub has since this designation worked with over 140 schools from across the Tees Valley and beyond to deliver the following.

Initial Teacher Training – provided advice, information, guidance, placements, and training to support aspiring teachers across our partnership of schools and working with providers across the hub area and beyond.

Early Career Framework – working in partnership with University College London, we have delivered live facilitated training sessions to over 160 Early Career Teachers (ECTs) as part of the new 2 Year Full Induction Programme and to over 150 mentors appointed to support these ECTs throughout the year.

National Professional Qualifications – working in partnership with the School Led Network we have delivered the new suite of leadership and specialist National Professional Qualifications to over 130 existing and aspiring school leaders including.

- National Professional Qualification for Head Teachers
- National Professional Qualification Senior Leaders
- National Professional Qualification Leading Behaviour and Culture
- National Professional Qualification Leading Teacher Development
- National Professional Qualification Leading Teachers

We will also be delivering the new National Professional Qualification in Early Years Leadership and in Literacy during academic year 2022 – 2023.

Appropriate Body Service – working to fulfil the statutory requirements of ECT Induction, we have worked with about 200 ECTs and their schools, across the academic year.

As part of our wider responsibilities we have signposted schools to the DfE accredited curriculum and specialist hubs and other sources of accredited and approved Continuing Professional Development (CPD).

Carmel Professional Training Centre

Carmel Teacher Training Partnership – cohort 2021-22 – 49 trainees were awarded Qualified Teacher Status through our Initial Teacher Training (ITT). Trainee attainment – 96% of the cohort were judged to be Outstanding or Good. Employment – 92% of the cohort were in employment in teaching early in the new academic year.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Archimedes NE Maths Hub – our Local Leaders of Maths Education have successfully led work groups, ranging from Early Years Foundation Stage (EYFS), Specialist Knowledge for Teaching Mathematics (SKTM), to A Level pedagogy, working with teachers and teaching assistants alike. Our mastery specialists have worked across all phases, with new schools and those who are in the sustaining phase, having worked with us for some time. More than 250 schools were involved in hub activity during the year, some availing of multiple opportunities. We have engaged a range of schools, with varying levels of deprivation and need from a variety of Academy Trusts and Local Authorities. The Mastering Number programme has been adopted by approximately 120 schools working with our four leads to develop the foundational number knowledge of our learners in EYFS and KS1.

Science Learning Partnership (SLP) – working in a new partnership with Cardinal Hume Catholic School, the SLP continues to provide high-quality science CPD across the Tees Valley. 2021-22 saw a great increase in the importance of Enthuse Partnerships in our work: these are industry-funded partnerships of 6-10 schools, working together on science teacher CPD and other events with the aim of improving young people's attainment and engagement in STEM subjects and developing their awareness and understanding of STEM careers.

Computing Hub – has successfully operated the Tees Valley and Durham region of the National Centre for Computing Education, with teachers across the region having upskilled their subject knowledge to the point where they can teach GCSE Computer Science. Teachers from many different subject backgrounds including Art, Science, Geography, and Maths have added to their portfolio of skills. Strong working relationships with ITT providers across the region have allowed several trainees to take part in the programme. We continue to focus our efforts across the region and especially with our priority area of Middlesbrough.

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, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the company

Section 172(1)(a) to (f) of the Companies Act 2006, directors of a company must act in a way most likely to promote the success of the company, and in doing so must have regard to the:

- likely consequences of any decision in the long term
- interests of the company's employees
- need to foster the company's business relationships with suppliers, customers and others
- impact of the company's operations on the community and the environment
- desirability of the company maintaining a reputation for high standards of business conduct the need to act fairly as between members of the company

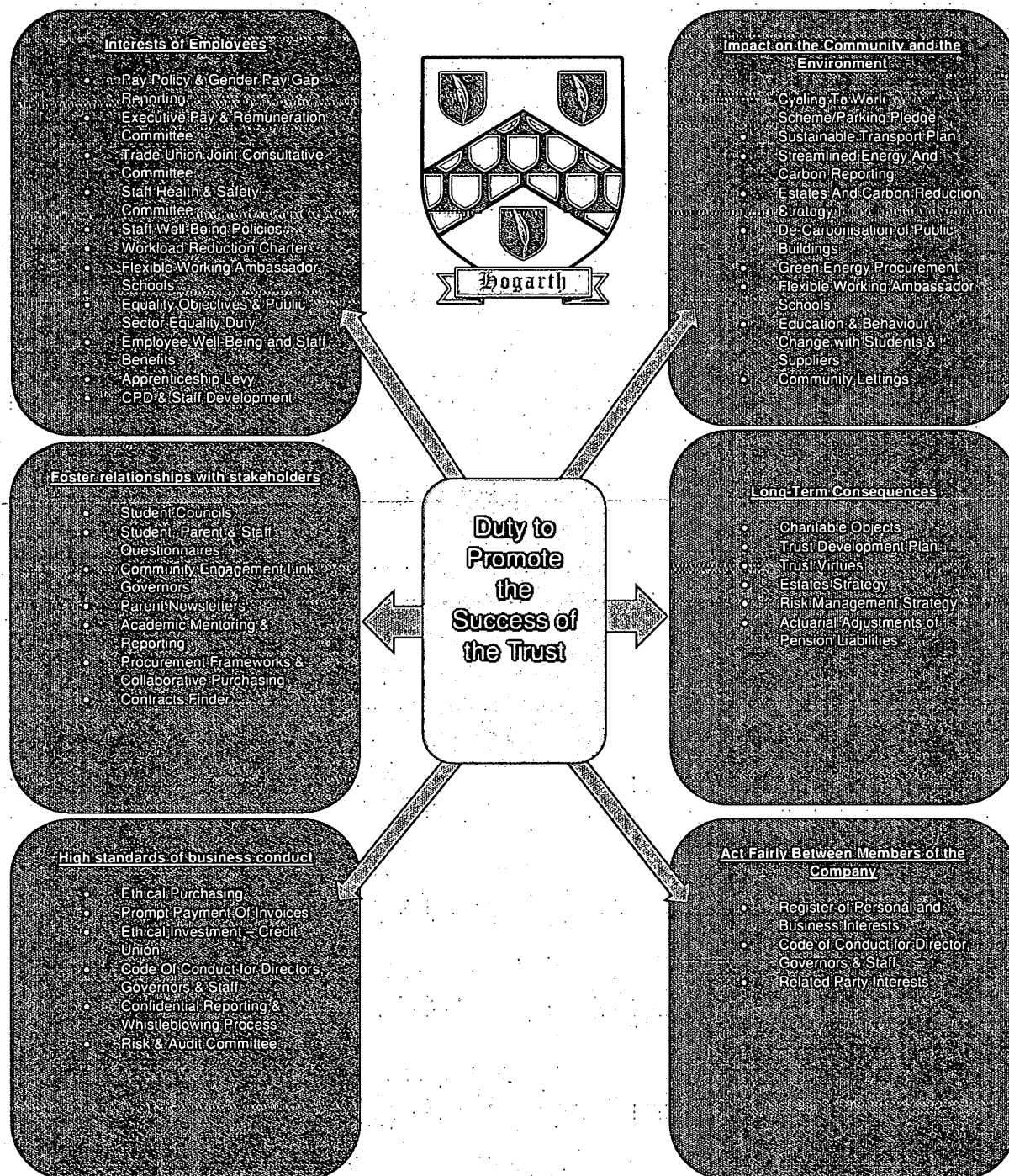
The following diagram illustrates the Academy Trust's regard to these interests.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)



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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Achievements and performance (continued)

Financial Review

Most of the Academy Trust's income is obtained from the Department for 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 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities SORP (FRS 102), such grants are shown under 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.

During the year ended 31 August 2022, total expenditure of £76,677,000 was exceeded by recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (before transfers, inherited pension liabilities and actuarial gains, and excluding fixed asset funds) was £2,245,000.

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

The in-year surplus, excluding the pension reserve and restricted fixed asset funds, was £8,097,000.

At 31 August 2022 net book value of fixed assets was £44,357,000 and movements in tangible fixed assets are shown in note 14 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 provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £6,772,000 recognised on the Balance Sheet.

The Academy Trust held fund balances as at 31 August 2022 of £60,802,000. This comprises the deficit pension reserve of £6,772,000, restricted fixed asset funds of £48,453,000, restricted income funds of £5,954,000 and unrestricted funds of £13,167,000.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report (continued)

Reserves Policy

The Academy Trust holds restricted and unrestricted funds (the attached financial statements detail these funds).

The level of reserves is reviewed by Directors regularly throughout the year. The minimum level of reserves for the ongoing needs of the Academy Trust is reviewed by the Directors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments, the nature of reserves and Diocesan guidance.

The Directors are particularly mindful of the uncertainty in both revenue and capital funding in the future and consider it prudent to hold total revenue reserves of £18,960,000 split between a capital projects fund of £6,986,000 and revenue reserves of £11,974,000.

These reserves reflect the culmination of the Academy Trust's expansion. With Bishop Hogarth Catholic Education Trust having grown from 15 to 35 schools in the last three years, significant reserves are required to be able to support all pupils irrespective of the level of reserves held by individual schools.

Directors have a particular focus on ensuring that the use of reserves includes direct links into school improvement priorities. This includes the ability to maximise the following opportunities:

- Capital investment in projects that have an immediate impact on school improvement, including a focus on Early Years outdoor learning.
- Revenue investment in school improvement priorities across all phases, including literacy and phonics.

Revenue reserves are held to cover specific risks identified in relation to:

- Cost pressures from energy prices and other inflation
- An academy within the Academy Trust receiving an unsatisfactory Ofsted judgement
- Implementation of the national funding formula including the soft formulae where the calculation of school budget shares will remain with local authorities
- Future government funding restrictions
- Pay awards (teachers and support staff)
- Increases in employer contribution rates for national insurance and pension (teachers and support staff)
- Sustainability of faith and associated school transport policy.

The capital projects fund is held to cover an ambitious capital programme including:

- Supplementing School Condition Allocation funding to maximise condition capital projects
- Supporting fabric first energy efficiency capital projects
- Investment in IT equipment.

The individual school balances detailed in note 18 form the Academy Trust's reserves of £19,121,000. After deducting the restricted income funds of £5,954,000, the Academy Trust's current level of unrestricted reserves are £13,167,000 and therefore considered to be slightly higher than the level required for the ongoing needs of the expanding Academy Trust. With the ambitious capital programme and the cost pressures facing the Academy Trust, it is expected that the overall level of reserves will begin to fall.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Investment policy

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in the following:

- Interest bearing deposit accounts.
- Fixed term deposits.
- UK Registered Banks.
- Banks registered with the Financial Services Compensation Scheme.
- Credit Unions.

Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Principal risks and uncertainties

The principal risks and uncertainties are centered on changes in the level of funding from DfE/ESFA. 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.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising

The Directors are aware of their duties in respect of fundraising, including the following areas covered in Section 13 of the Charities (Protection and Social Investment) Act 2016 in respect of the Trust's:

- approach to fundraising
- work with, and oversight of, any commercial participators / professional fundraisers
- fundraising conforming to recognised standards
- monitoring of fundraising carried out on its behalf
- fundraising complaints
- protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Directors are also mindful of the Charity Commission publication "Charity fundraising: a guide to Director duties (CC20)" which has been updated to reflect new requirements, including the following 6 principles that underpin the Academy Trust's responsibility for fundraising:

- Planning effectively.
- Supervising your fundraisers.
- Protecting your charity's reputation, money and other assets.
- Identifying and ensuring compliance with the laws or regulations that apply specifically to your charity's fundraising.
- Identifying and following any recognised standards that apply to your charity's fundraising.
- Being open and accountable.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined energy and carbon reporting

	2022	2021
Energy consumption used to calculate emissions (kWh)	13,884,953	15,133,440
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	1,801.64	2,165.92
Owned transport	229.37	18.71
Total scope 1	<u>2,031.01</u>	<u>2,184.63</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>736.68</u>	<u>683.21</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>6.09</u>	<u>5.63</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>2,773.78</u>	<u>2,873.47</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.22</u>	<u>0.31</u>

The Academy Trust has followed and used the following quantification and reporting methodologies:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

To reduce CO2 emissions we have:

- Made significant capital investment in decarbonisation projects, including air source heat pumps.
- Made further significant capital investment in improving energy efficiency, including replacement of:
 - Roofs across our schools.
 - Boiler & heating controls.
 - Light fittings with LED.
- Increased the use of media technologies to avoid travel (Microsoft Teams, video conferencing).
- Registered with the Tees Valley Combined Authority to be involved in their scheme for supply, installation, operation and maintenance of a network of Electric Vehicle Charging Points (EVCP) in our schools.
- Encouraged our staff to use our Cycle to Work Scheme to buy their own bikes.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Plans for future periods

The Academy Trust is committed to being an active partner in improving the life chances for an increasing number of pupils in the communities that it serves. Through the Tees Valley Teaching School Hub and the Carmel Professional Training Centre, the Academy Trust will continue to promote school improvement and professional development with partner schools through the provision of a range of programmes, including:

- Initial Teacher Training
- Early Career Framework
- National Professional Qualifications
- Appropriate Body Service
- Other opportunities through:
 - Carmel Teacher Training Partnership
 - Archimedes NE Maths Hub
 - Science Learning Partnership
 - Computing Hub

Funds held as custodian on behalf of others

The Academy Trust does not hold any funds held as Custodian Trustee on behalf of others.

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 2022 and signed on its behalf by:



Y R Coates
Chair

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

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge that we have overall responsibility for ensuring that Bishop Hogarth 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 Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 9 times during the year.

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

Director	Meetings attended	Out of a possible
Y R Coates, Chair from 14 September 2022	9	9
M Matthews, Chair to 13 September 2022	9	9
A M Aisbitt	4	9
Fr J Butters	5	9
E E Bradshaw	4	9
P M Frank (resigned 5 November 2022)	7	9
A D Mitchell	5	9
C A Powell	8	9
C R Wiper	9	9
I M Sebastine	4	9

The Academy Trust maintains a register which lists for key management personnel (defined as the Members, Directors and Senior Management Team of the Academy Trust), other staff with purchasing influence and members of Local Management Committees any business or personal interest, pecuniary or otherwise, that they, or any member of their immediate family, have which could conflict with the Academy Trust's interests. On their appointment all individuals must complete, sign and return the Register of Interests Questionnaire even if they have no interests to declare. Once a questionnaire has been returned the details are added to the Academy Trust's Register of Interests and is published on its websites. Furthermore, and in line with recognised best practice, the opportunity to declare such an interest appears as a standard agenda item at all meetings of Directors and Local Governing Committees where the current register is included for reference and individuals reminded of their responsibility to inform of any changes to their interests. Where changes are declared then a new questionnaire must be completed and is returned to the Clerk. Where a conflict of interest arises at any point it must be declared, and the register updated.

Governance Reviews

The Board of Directors completed the School Resource Management Self-Assessment Tool Checklist in May 2021. The checklist helped the Trust Board to:

- check we have appropriate financial management and governance arrangements
- check we are meeting the right standards to achieve a good level of financial health and resource management

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

- identify areas for change to make sure resources are used to support high-quality teaching and the best education outcomes for pupils

The Board will utilise the National Governance Association's self-evaluation tool for Multi Academy Trusts during 2022-23.

The Finance and Resources Committee is a sub-committee of the main Board of Directors. Its purpose is to:

1. assist the decision making of the Board of Directors by enabling more detailed consideration to be given to the best means of fulfilling the Board of Director's responsibility to ensure sound management of the Academy Trust's finances, staffing and resources, including proper planning, monitoring and probity.
2. make appropriate comments and recommendations on such matters to the Board of Directors on a regular basis. Key decisions will be referred to the Board of Directors for ratification.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
A Aisbitt	3	4
Y Coates	5	5
M Matthews	5	5
A Powell	5	5
I Sebastine	3	5

The Audit and Risk Committee is also a sub-committee of the main Board of Directors. Its purpose is to:

- provide assurance to the Board of Directors on the suitability/adequacy of and effectiveness of the Academy Trust's systems of internal financial control and compliance with its financial systems and operational controls,
- advise the Board on its arrangements for risk management and governance processes, and securing economy, efficiency and effectiveness (value for money) and that the systems are rigorous and constantly reviewed. This assurance extends to the financial controls and risks at individual schools.

Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
A M Aisbitt	2	4
P M Frank	2	4
M Matthews	4	4
A D Mitchell	1	4
C R Wiper	4	4

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

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive Officer 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. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Utilising Government recommended frameworks (including Crown Commercial Service and Crescent Purchasing Consortium) for large value procurement (including firewalls, human resource services and staff absence protection).
- Strategic management of capital funding (including School Condition Allocation and Devolved Formula Capital) to maximise impact.
- Driving the completion of the Academy Trust expansion programme enabling increased purchasing power and economies of scale.

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 Hogarth Catholic Education Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

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

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

The Board of Directors has decided to buy-in an internal audit service from Azets.

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The internal auditors' role includes giving advice on financial and performing a range of checks on the Academy Trust's financial systems and other systems. In particular, the checks carried out in the current period included work on:

- ESFA, DfE and Local Authority Income
- Trading and Other Income
- Cash Income
- Purchases and Payments
- Petty cash, Expenses, Debit and Credit Card Expenditure
- Payroll
- HR Procedures
- Bank and Cash Management
- Fixed Assets
- Investments
- Corporation Tax
- Accounting for VAT
- Financial Systems and Segregation of Duties
- Month End Procedures and Management Accounts
- ICT and Website Compliance
- Related Parties and Companies House
- Policies and Filing Compliance
- Financial Oversight
- Financial Planning
- Compliance with Delegated Authorities
- Risk Management
- General Data Protection Regulations (GDPR)
- Health and Safety

On a termly basis, the auditor reports to the Board of Directors through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities and annually prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditor
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the 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 Audit and Risk committee and a plan to address recommendations and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 14 December 2022 and signed on their behalf by:



Y R Coates
Director



M Shorten
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Bishop Hogarth Catholic Education Trust I have considered my responsibility to notify the Academy Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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.



M Shorten
Accounting Officer
Date: 14 December 2022

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 2022 and signed on its behalf by:


Y R Coates
Chair

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

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

Opinion

We have audited the financial statements of Bishop Hogarth Catholic Education Trust (the 'Academy Trust') for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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 HOGARTH CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BISHOP HOGARTH 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.

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.

Responsibilities of trustees

As explained more fully in the Statement of Directors' Responsibilities, the Directors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the 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.

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

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

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 non-compliance 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.

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.

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

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

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.



Christopher Beaumont BA(Hons) BFP FCA DChA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Date:

19 December 2022

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

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

In accordance with the terms of our engagement letter dated 16 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Hogarth Catholic Education Trust during the year 1 September 2021 to 31 August 2022 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 Hogarth 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 Hogarth 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 Hogarth Catholic Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Bishop Hogarth Catholic Education Trust's funding agreement with the Secretary of State for Education dated 28 February 2013 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- 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;

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

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

- 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Clive Owen LLP

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 19 December 2022

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfer from Local Authority on conversion		-	-	-	-	(2,037)
Other donations and capital grants		1,089	(10,247)	3,861	(5,297)	4,693
Other trading activities		1,716	-	-	1,716	1,329
Investments	6	16	-	-	16	4
Charitable activities:						
Funding for the academy trust's educational operations		2,404	71,146	-	73,550	60,477
Teaching school hub		-	586	-	586	861
Total income		5,225	61,485	3,861	70,571	65,327
Expenditure on:						
Charitable activities		-	74,807	1,870	76,677	63,101
Total expenditure		-	74,807	1,870	76,677	63,101
Net income/ (expenditure)		5,225	(13,322)	1,991	(6,106)	2,226
Transfers between funds	18	-	(2,201)	2,201	-	-
Net movement in funds before other recognised gains		5,225	(15,523)	4,192	(6,106)	2,226
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	-	40,238	-	40,238	1,121
Net movement in funds		5,225	24,715	4,192	34,132	3,347

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Note					
Reconciliation of funds:					
Total funds brought forward	7,942	(25,533)	44,261	26,670	23,323
Net movement in funds	5,225	24,715	4,192	34,132	3,347
Total funds carried forward	<u>13,167</u>	<u>(818)</u>	<u>48,453</u>	<u>60,802</u>	<u>26,670</u>

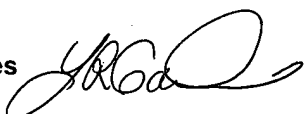
BISHOP HOGARTH CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07808732

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	14	44,357	41,212
		<u>44,357</u>	<u>41,212</u>
Current assets			
Debtors	15	3,986	2,294
Cash at bank and in hand		25,048	18,661
		<u>29,034</u>	<u>20,955</u>
Creditors: amounts falling due within one year	16	(5,749)	(3,253)
Net current assets		<u>23,285</u>	<u>17,702</u>
Total assets less current liabilities		<u>67,642</u>	<u>58,914</u>
Creditors: amounts falling due after more than one year	17	(68)	(81)
Net assets excluding pension liability		<u>67,574</u>	<u>58,833</u>
Defined benefit pension scheme liability	26	(6,772)	(32,163)
Total net assets		<u><u>60,802</u></u>	<u><u>26,670</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	48,453	44,261
Restricted income funds	18	5,954	6,630
		<u>54,407</u>	<u>50,891</u>
Restricted funds excluding pension asset	18	54,407	50,891
Pension reserve	18	(6,772)	(32,163)
Total restricted funds	18	<u>47,635</u>	<u>18,728</u>
Unrestricted income funds	18	13,167	7,942
Total funds		<u><u>60,802</u></u>	<u><u>26,670</u></u>

The financial statements on pages 32 to 79 were approved by the Directors, and authorised for issue on 14 December 2022 and are signed on their behalf, by:

Y R Coates
Chair



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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	6,547	5,447
Cash flows from investing activities	22	(146)	2,499
Cash flows from financing activities	21	(14)	(64)
Change in cash and cash equivalents in the year		6,387	7,882
Cash and cash equivalents at the beginning of the year		18,661	10,779
Cash and cash equivalents at the end of the year	23, 24	<u>25,048</u>	<u>18,661</u>

The notes on pages 36 to 79 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

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

1.1 Basis of preparation 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Consolidated accounts

The trust has not prepared consolidated financial statements as the results of the subsidiary, Bishop Hogarth Services Limited, are not considered material to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities 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 a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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

Where assets and liabilities 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. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

- **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 Academy Trust's accounting policies.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.5 Expenditure

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

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 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.

1.7 Tangible fixed assets

All 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:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Leasehold improvements	- between 10-50 years straight line
Leasehold land	- over 125 years straight line
Furniture and equipment	- over 5 or 7 years straight line
Computer equipment	- over 3 years straight line
Motor vehicles	- over 4 - 5 years straight line

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 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.

1.8 Operating leases

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

1.9 Taxation

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

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

1.10 Interest receivable

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

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 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 multi 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.15 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 15. 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 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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 Academy Trust acts as an agent in distributing Carmel Teacher Training Partnership bursary funds from the Department for Education. Payments received from the Department for Education and subsequent disbursements to trainee teachers 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 30.

1.17 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from St John Vianney Catholic Primary School, Hartlepool, St Wilfrid's Catholic Primary School, Bishop Auckland, Blessed John Duckett Catholic Primary School, Tow Law, St Cuthbert's Catholic Primary School, Crook, St Mary's Catholic Primary School, Barnard Castle, and St Mary's Catholic Primary School, Newton Aycliffe 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 Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The transfer included the land and buildings leased from Durham County Council, Hartlepool Borough Council, and Stockton-on-Tees Borough Council, cash balances inherited on conversion and the LGPS pension deficit.

Further details of the transaction are set out in note 25.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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 26, 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 £1,870,000.

Critical areas of judgement:

Land – Land is held under a 125 year lease from Darlington Borough Council, Stockton-on-Tees Borough Council, Hartlepool Borough Council, and Durham County Council. 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.

Land transferred on conversion has been valued using insurance valuations provided for each academy and a percentage applied based on ESFA valuations received for existing academies within the Academy Trust.

The Academy Trust 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 Directors 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.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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

Goodwin - The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £56,370 which has been assessed to be immaterial to the financial statements.

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations					
Transfer From Local Authority on conversion	1,075	(10,342)	681	(8,586)	(2,037)
	<u>1,075</u>	<u>(10,342)</u>	<u>681</u>	<u>(8,586)</u>	<u>(2,037)</u>
Donations	14	95	-	109	674
Capital Grants	-	-	3,180	3,180	4,019
Subtotal	<u>14</u>	<u>95</u>	<u>3,180</u>	<u>3,289</u>	<u>4,693</u>
	<u>1,089</u>	<u>(10,247)</u>	<u>3,861</u>	<u>(5,297)</u>	<u>2,656</u>
Total 2021	<u>1,401</u>	<u>(5,442)</u>	<u>6,697</u>	<u>2,656</u>	

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy's educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	59,077	59,077	47,790
Other DfE/ESFA grants				
Pupil Premium	-	3,169	3,169	2,502
PE and Sport Premium	-	447	447	291
UFSM	-	605	605	403
Rates	-	301	301	253
Teachers' pay grant	-	83	83	596
Teachers' pension grant	-	236	236	1,762
Other DfE Group grants	-	2,437	2,437	2,025
	-	66,355	66,355	55,622
Other Government grants				
SEN	-	1,079	1,079	823
Early Years Funding	-	2,229	2,229	1,271
Local Authority grants	-	809	809	559
Other Government grants	-	52	52	86
	-	4,169	4,169	2,739
Other income from the Academy Trust's academy's educational operations	2,404	7	2,411	1,377
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	739
Other DfE/ESFA COVID-19 funding	-	615	615	-
	-	615	615	739
	2,404	71,146	73,550	60,477
Teaching school hub				
DfE/ESFA grants	-	66	66	45
Other income	-	520	520	816
	-	586	586	861
	2,404	71,732	74,136	61,338
Total 2021	1,377	59,961	61,338	

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Income from other trading activities

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from facilities and services	1,122	1,122	609
Non student catering income	21	21	10
Rental and lettings income	10	10	11
Receipts from supply teacher insurance claims	330	330	190
RPA claims	-	-	11
Other	233	233	498
	<u>1,716</u>	<u>1,716</u>	<u>1,329</u>
Total 2021	<u>1,329</u>	<u>1,329</u>	

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Bank interest	16	16	4
	<u>4</u>	<u>4</u>	
Total 2021	<u>4</u>	<u>4</u>	

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Academy's educational operations:					
Direct costs	51,711	-	5,049	56,760	46,727
Allocated support costs	8,407	5,870	5,150	19,427	15,439
Direct costs - Teaching school hub:					
Direct costs	125	-	306	431	724
Allocated support costs	29	-	30	59	211
	<u>60,272</u>	<u>5,870</u>	<u>10,535</u>	<u>76,677</u>	<u>63,101</u>
Total 2021	<u>49,689</u>	<u>4,137</u>	<u>9,275</u>	<u>63,101</u>	

In 2022 of the total expenditure, £Nil (2021: £2,105,000) was to unrestricted funds and £76,677,000 (2021: £60,996,000) was to restricted funds.

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

- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Analysis of expenditure by activities

	Direct costs 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy's educational operations	56,760	19,427	76,187	62,166
Teaching hub & SCITT	431	59	490	935
	<u>57,191</u>	<u>19,486</u>	<u>76,677</u>	<u>63,101</u>
Total 2021	<u>47,451</u>	<u>15,650</u>	<u>63,101</u>	

Analysis of direct costs

	Academy's educational operations 2022 £000	Teaching School hub 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Staff costs	51,711	125	51,836	43,028
Educational supplies	2,633	305	2,938	2,322
Examination fees	479	-	479	461
Staff development	322	-	322	153
Technology costs	369	1	370	460
Educational consultancy	453	-	453	325
Staff expenses	34	-	34	28
Supply insurance	428	-	428	281
Other costs	331	-	331	393
	<u>56,760</u>	<u>431</u>	<u>57,191</u>	<u>46,727</u>
Total 2021	<u>46,727</u>	<u>724</u>	<u>47,451</u>	

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's educational operations 2022 £000	Teaching School hub 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Net interest on pension scheme	606	-	606	451
Staff costs	8,407	29	8,436	6,661
Depreciation	1,870	-	1,870	1,543
Staff development	5	-	5	-
Technology costs	600	-	600	777
Staff expenses	55	5	60	20
Transport	51	-	51	29
Maintenance of premises	754	-	754	499
Cleaning	675	-	675	677
Other premises costs	573	-	573	501
Energy	1,367	-	1,367	791
Rent and rates	301	-	301	252
Insurance	291	-	291	199
Operating lease rentals	43	-	43	31
Catering	2,142	-	2,142	1,437
Legal costs - conversion	84	-	84	169
Legal costs - other	384	-	384	374
Security	37	-	37	26
Other costs	1,101	25	1,126	1,152
Governance costs	81	-	81	61
	<u>19,427</u>	<u>59</u>	<u>19,486</u>	<u>15,439</u>
Total 2021	<u>15,439</u>	<u>211</u>	<u>15,650</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	43	31
Depreciation of tangible fixed assets	1,870	1,543
Fees paid to auditors for:		
- audit	38	28
- other services	11	10
	<u> </u>	<u> </u>

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	42,138	35,476
Social security costs	4,358	3,576
Operating costs of defined benefit pension schemes	12,933	10,328
	<hr/> 59,429	<hr/> 49,380
Agency staff costs	763	297
Staff restructuring costs	80	12
	<hr/> <hr/> 60,272	<hr/> <hr/> 49,689

Included in operating costs of defined pension schemes is a debit of £3,899,000 (2021: £2,648,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2022 £000	2021 £000
Severance payments	80	12
	<hr/> 80	<hr/> 12

b. Severance payments

The Academy Trust paid £80,000 severance payments in the year (2021 - £12,000), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	5	1
£25,001 - £50,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8,000 (2021: £Nil). Individually these amounts were £8,000.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Staff (continued)

d. Staff numbers

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

	2022 No.	2021 No.
Leadership	37	27
Teachers	698	595
Education and Administration Support, including premises, cleaning and catering	888	708
	<u>1,623</u>	<u>1,330</u>

e. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	27	18
In the band £70,001 - £80,000	13	8
In the band £80,001 - £90,000	3	6
In the band £90,001 - £100,000	3	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	1	1
In the band £130,001 - £140,000	1	1
In the band £200,001 - £210,000	1	1
	<u>1</u>	<u>1</u>

f. 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 £713,000 for 5 staff (2021: £706,000 for 5 staff).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2021 - £NIL).

During the year, no Directors received any benefits in kind (2021 : £NIL).

During the year ended 31 August 2022, no Director expenses have been incurred (2021 - £NIL).

12. Directors' and Officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance 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.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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13. Central services

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

- Leadership and business management;
- Standards and data;
- Finance and governance.

The Academy Trust charges for these services on the following basis:

- Pupil numbers;
- The phases provided by the academy (including nursery and sixth form);
- The overall budget of the academy

The Academy Trust provides support in relation to all its schools. This includes support from the MAT SLT and other teaching staff, as well as the finance and administrative teams at Carmel College. The Academy Trust also employs a Finance Manager, Governance Manager, Data Manager, HR & Payroll Manager, IT Manager, Catering Manager and Family Support and Attendance Lead who work across the MAT.

The actual amounts charged during the year were as follows:

	2022 £000	2021 £000
Carmel College, Darlington	363	296
The English Martyrs School and Sixth Form College, Hartlepool	421	378
Our Lady & St. Bede Catholic Academy, Stockton	293	283
St John's School & Sixth Form College - A Catholic Academy, Bishop Auckland	378	328
St Michael's Catholic Academy, Billingham	294	288
Holy Family RC Primary School, Darlington	42	43
Our Lady of the Most Holy Rosary Catholic Academy, Billingham	45	50
St Augustine's RC Primary School, Darlington	40	45
St Bede's RC Primary School, Darlington	68	66
St Bede's Catholic Academy, Stockton	51	54
St Gregory's Catholic Academy, Stockton	52	54
St John the Evangelist Roman Catholic Aided Primary School, Billingham	44	45
St Joseph's Roman Catholic Voluntary Aided Primary School, Billingham	48	49
St Joseph's RC Primary School, Newton Aycliffe	29	6
St Joseph's Catholic Academy, Norton	63	65
St Paul's Roman Catholic Primary School	48	50
St Teresa's Catholic Primary School	73	77
St William's Catholic Primary School	7	7
Sacred Heart Catholic Primary School, Hartlepool	89	30
St Bega's Catholic Primary School, Hartlepool	41	15
St Chad's Catholic Primary School, Witton Park	4	3
St Joseph's Catholic Primary School, Hartlepool	32	9
St Teresa's Catholic Primary School, Hartlepool	69	19
St Cuthbert's Catholic Primary School, Hartlepool	56	14
St Cuthbert's Catholic Primary School, Stockton	49	10

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FOR THE YEAR ENDED 31 AUGUST 2022

13. Central services (continued)

St Patrick's Catholic Primary School, Stockton	56	12
Our Lady and St Thomas Catholic Primary School, Willington	6	1
St Charles' Catholic Primary School, Tudhoe	46	6
St Joseph's Catholic Primary School, Coundon	31	4
St John Vianney Catholic Primary School, Hartlepool	7	-
St Wilfrid's Catholic Primary School, Bishop Auckland	20	-
Blessed John Duckett Catholic Primary School, Tow Law	2	-
St Cuthbert's Catholic Primary School, Crook	5	-
St Mary's Catholic Primary School, Barnard Castle	1	-
St Mary's Catholic Primary School, Newton Aycliffe	6	-
Total	2,879	2,307

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Tangible fixed assets

	Leasehold improve- ments £000	Lease- hold land £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost							
At 1 September 2021	33,235	4,480	4,410	2,118	2,991	157	47,391
Additions	3,120	-	-	303	763	148	4,334
Acquired on conversion	93	565	-	1	22	-	681
Transfers between classes	4,410	-	(4,410)	-	-	-	-
At 31 August 2022	40,858	5,045	-	2,422	3,776	305	52,406
Depreciation							
At 1 September 2021	2,536	164	-	1,009	2,384	86	6,179
Charge for the year	1,129	39	-	285	375	42	1,870
At 31 August 2022	3,665	203	-	1,294	2,759	128	8,049
Net book value							
At 31 August 2022	37,193	4,842	-	1,128	1,017	177	44,357
At 31 August 2021	30,699	4,316	4,410	1,109	607	71	41,212

15. Debtors

	2022 £000	2021 £000
Trade debtors	550	248
Other debtors	84	-
Prepayments and accrued income	2,839	1,668
VAT repayable	513	378
	3,986	2,294

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Other loans	14	15
Trade creditors	2,357	852
Other creditors	235	179
Accruals and deferred income	3,143	2,207
	<u>5,749</u>	<u>3,253</u>
	2022 £000	2021 £000
Deferred income at 1 September 2021	666	621
Resources deferred during the year	1,089	666
Amounts released from previous periods	(666)	(621)
	<u>1,089</u>	<u>666</u>

Deferred income includes Universal Infant Free School Meals income, Rates Relief and transport income received in advance, and school trips income which straddles the academic year end.

17. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Other loans	<u>68</u>	<u>81</u>

Included within other creditors is a loan of £82,000 (2021: £96,000) from the ESFA which is provided on the following terms:

Interest free loan repayable over 7 years.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
Unrestricted general funds	7,942	5,225	-	(6,986)	-	6,181
Designated capital fund	-	-	-	6,986	-	6,986
	<u>7,942</u>	<u>5,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,167</u>
Restricted general funds						
General Annual Grant (GAG)	6,528	59,077	(57,647)	(2,201)	-	5,757
Pupil Premium	-	3,169	(3,169)	-	-	-
Other DfE/ESFA grants	-	4,109	(4,109)	-	-	-
SEN	-	1,079	(1,079)	-	-	-
Other Government grants	-	3,090	(3,090)	-	-	-
Other Covid-19 funding	-	615	(615)	-	-	-
Carmel Bursary Fund	-	95	-	-	-	95
Other	-	7	(7)	-	-	-
CET University Bursary	15	-	-	-	-	15
Other grants	87	-	-	-	-	87
Teaching school income	-	586	(586)	-	-	-
Pension reserve	(32,163)	(10,342)	(4,505)	-	40,238	(6,772)
	<u>(25,533)</u>	<u>61,485</u>	<u>(74,807)</u>	<u>(2,201)</u>	<u>40,238</u>	<u>(818)</u>

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Restricted fixed asset funds						
Devolved Formula Capital	1,251	363	(285)	(41)	-	1,288
Academy Capital Maintenance Fund	1,814	-	(102)	-	-	1,712
Capital expenditure from GAG	2,749	-	(405)	2,164	-	4,508
Legacy assets	5,273	681	(131)	-	-	5,823
Donations	20,521	-	(472)	-	-	20,049
Condition Improvement Fund	2,326	-	(120)	-	-	2,206
Local authority grants	5,366	14	(182)	-	-	5,198
Other DfE/ESFA capital grants	360	-	(26)	-	-	334
SCA funding	4,178	2,726	(134)	-	-	6,770
Other capital funds	190	38	(7)	38	-	259
Carmel College Development Fund	125	-	(6)	-	-	119
3G maintenance fund	108	-	-	40	-	148
Other government grants	-	39	-	-	-	39
	<u>44,261</u>	<u>3,861</u>	<u>(1,870)</u>	<u>2,201</u>	<u>-</u>	<u>48,453</u>
Total Restricted funds	<u>18,728</u>	<u>65,346</u>	<u>(76,677)</u>	<u>-</u>	<u>40,238</u>	<u>47,635</u>
Total funds	<u><u>26,670</u></u>	<u><u>70,571</u></u>	<u><u>(76,677)</u></u>	<u><u>-</u></u>	<u><u>40,238</u></u>	<u><u>60,802</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. 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.

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

Universal Infant Free School Meals (included within Other DfE/ESFA Grants) is funding to provide a free school lunch to all pupils in reception, year 1 and year 2.

Other DfE/ESFA Grants also includes the PE and sport premium grant, rates relief, teachers' pay grant and teachers' pension grant, to be used for PE education, rates costs, and to fund the increase in teacher' salaries and employer's pension contributions.

SEN is funding received to be used on children with Special Educational needs.

Other Government grants include Early Years funding for three and four year old children and other income from the local authority.

Other Covid-19 funding is to be used to fund pupils educational recovery from time lost due to the Covid-19 pandemic.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 26.

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.

The designated capital fund is ringfenced for schools to spend on their buildings and IT equipment priorities.

A transfer of £2,161,000 has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

A further transfer of £40,000 has been made from GAG to the 3G Maintenance Fund to cover the cost of planned maintenance to the 3G pitch over a period of 10 years.

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 2022.

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

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

	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	6,041	4,006	(2,105)	-	-	7,942
Restricted general funds						
General Annual Grant (GAG)	4,025	47,790	(44,105)	(1,182)	-	6,528
Pupil Premium	-	2,502	(2,502)	-	-	-
Other DfE/ESFA grants	-	5,328	(5,328)	-	-	-
SEN	-	823	(823)	-	-	-
Other Government grants	-	1,916	(1,916)	-	-	-
Catch-up Premium	-	739	(739)	-	-	-
CET University Bursary	22	-	(7)	-	-	15
Other grants	53	105	(71)	-	-	87
Teaching school income	-	863	(863)	-	-	-
Pension reserve	(24,743)	(5,442)	(3,099)	-	1,121	(32,163)
	<u>(20,643)</u>	<u>54,624</u>	<u>(59,453)</u>	<u>(1,182)</u>	<u>1,121</u>	<u>(25,533)</u>

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

**Restricted
fixed asset
funds**

Devolved Formula Capital	1,094	423	(266)	-	-	1,251
Academy Capital Maintenance Fund	1,916	-	(102)	-	-	1,814
Capital expenditure from GAG	1,930	-	(345)	1,164	-	2,749
Legacy assets	3,449	1,908	(84)	-	-	5,273
Donations	20,289	658	(426)	-	-	20,521
Condition Improvement Fund	1,701	732	(107)	-	-	2,326
Local authority grants	4,853	604	(91)	-	-	5,366
Other DfE/ESFA capital grants	372	-	(12)	-	-	360
SCA funding	1,905	2,372	(99)	-	-	4,178
Other capital funds	196	-	(6)	-	-	190
Carmel College Development Fund	130	-	(5)	-	-	125
3G maintenance fund	90	-	-	18	-	108
	<u>37,925</u>	<u>6,697</u>	<u>(1,543)</u>	<u>1,182</u>	<u>-</u>	<u>44,261</u>
Total Restricted funds	<u>17,282</u>	<u>61,321</u>	<u>(60,996)</u>	<u>-</u>	<u>1,121</u>	<u>18,728</u>
Total funds	<u><u>23,323</u></u>	<u><u>65,327</u></u>	<u><u>(63,101)</u></u>	<u><u>-</u></u>	<u><u>1,121</u></u>	<u><u>26,670</u></u>

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

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Carmel College, Darlington	4,022	4,196
The English Martyrs School and Sixth Form College, Hartlepool	2,001	1,345
Our Lady & St. Bede Catholic Academy, Stockton	2,743	1,921
St John's School & Sixth Form College - A Catholic Academy, Bishop Auckland	1,813	1,775
St Michael's Catholic Academy, Billingham	1,448	716
Holy Family RC Primary School, Darlington	306	194
Our Lady of the Most Holy Rosary Catholic Academy, Billingham	246	193
St Augustine's RC Primary School, Darlington	62	73
St Bede's RC Primary School, Darlington	603	379
St Bede's Catholic Academy, Stockton	178	86
St Gregory's Catholic Academy, Stockton	472	444
St John the Evangelist Roman Catholic Aided Primary School, Billingham	119	47
St Joseph's Roman Catholic Voluntary Aided Primary School, Billingham	259	215
St Joseph's RC Primary School, Newton Aycliffe	101	225
St Joseph's Catholic Academy, Norton	432	300
St Paul's Roman Catholic Primary School, Billingham	158	113
St Teresa's Catholic Primary School, Darlington	255	300
St William's Catholic Primary School, Trimdon	208	118
Sacred Heart Catholic Primary School, Hartlepool	94	64
St Bega's Catholic Primary School, Hartlepool	124	84
St Chad's Catholic Primary School, Witton Park	131	113
St Joseph's Catholic Primary School, Hartlepool	234	234
St Teresa's Catholic Primary School, Hartlepool	227	178
St Cuthbert's Catholic Primary School, Hartlepool	131	107
St Cuthbert's Catholic Primary School, Stockton	266	193
St Patrick's Catholic Primary School, Stockton	165	133
Our Lady and St Thomas Catholic Primary School, Willington	41	1
St Charles' Catholic Primary School, Tudhoe	98	69
St Joseph's Catholic Primary School, Coundon	104	61
St John Vianney Catholic Primary School, Hartlepool	240	-
St Wilfrid's Catholic Primary School, Bishop Auckland	214	-
Blessed John Duckett Catholic Primary School, Tow Law	92	-
St Cuthbert's Catholic Primary School, Crook	58	-
St Mary's Catholic Primary School, Barnard Castle	105	-
St Mary's Catholic Primary School, Newton Aycliffe	196	-
Bishop Hogarth Catholic Education Trust	1,175	695

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18. Statement of funds (continued)

	2022 £000	2021 £000
Total before fixed asset funds and pension reserve	19,121	14,572
Restricted fixed asset fund	48,453	44,261
Pension reserve	(6,772)	(32,163)
Total	<u>60,802</u>	<u>26,670</u>

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

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
Carmel College, Darlington	6,266	866	893	1,461	9,486	9,417
The English Martyrs School and Sixth Form College, Hartlepool	6,182	795	280	1,281	8,538	8,144
Our Lady & St. Bede Catholic Academy, Stockton	4,124	562	211	1,014	5,911	5,231
St John's School & Sixth Form College - A Catholic Academy, Bishop Auckland	5,719	809	257	1,402	8,187	7,932
St Michael's Catholic Academy, Billingham	4,051	490	150	993	5,684	5,403
Holy Family RC Primary School, Darlington	576	165	35	126	902	888
Our Lady of the Most Holy Rosary Catholic Academy, Billingham	670	170	37	122	999	1,012
St Augustine's RC Primary School	665	138	45	117	965	909
St Bede's RC Primary School, Darlington	956	188	71	156	1,371	1,289
St Bede's Catholic Academy, Stockton	769	159	70	185	1,183	1,160

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**NOTES TO THE FINANCIAL STATEMENTS
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18. 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 2022 £000	Total 2021 £000
St Gregory's Catholic Academy, Stockton	787	170	33	169	1,159	1,138
St John the Evangelist Roman Catholic Aided Primary School, Billingham	706	91	45	164	1,006	999
St Joseph's Roman Catholic Voluntary Aided Primary School, Billingham	755	164	33	146	1,098	1,050
St Joseph's RC Primary School, Newton Aycliffe	541	106	49	111	807	695
St Joseph's Catholic Academy, Norton	882	202	35	182	1,301	1,251
St Paul's Roman Catholic Primary School, Billingham	847	114	40	160	1,161	1,115
St Teresa's Catholic Primary School, Darlington	1,210	220	70	183	1,683	1,630
St William's Catholic Primary School, Trimdon	502	106	26	88	722	719
Sacred Heart Catholic Primary School, Hartlepool	1,428	233	67	301	2,029	1,471
St Bega's Catholic Primary School, Hartlepool	702	78	25	165	970	722

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**NOTES TO THE FINANCIAL STATEMENTS
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18. 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 2022 £000	Total 2021 £000
St Chad's Catholic Primary School, Witton Park	340	90	31	58	519	353
St Joseph's Catholic Primary School, Hartlepool	476	67	30	142	715	423
St Teresa's Catholic Primary School, Hartlepool	1,098	164	63	293	1,618	918
St Cuthbert's Catholic Primary School, Hartlepool	961	117	40	206	1,324	655
St Cuthbert's Catholic Primary School, Stockton	820	88	22	189	1,119	462
St Patrick's Catholic Primary School, Stockton	933	136	24	215	1,308	522
Our Lady and St Thomas Catholic Primary School, Willington	465	139	41	77	722	109
St Charles' Catholic Primary School, Tudhoe	760	164	35	116	1,075	246
St Joseph's Catholic Primary School, Coundon	537	113	25	91	766	186
St John Vianney Catholic Primary School, Hartlepool	1,011	347	26	164	1,548	-
St Wilfrid's Catholic Primary School, Bishop Auckland	541	110	19	68	738	-

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18. 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 2022 £000	Total 2021 £000
Blessed John Duckett Catholic Primary School, Tow Law	179	50	24	34	287	-
St Cuthbert's Catholic Primary School, Crook	224	61	8	40	333	-
St Mary's Catholic Primary School, Barnard Castle	120	40	3	20	183	-
St Mary's Catholic Primary School, Newton Aycliffe	237	40	14	32	323	-
Bishop Hogarth Catholic Education Trust	4,796	884	61	1,326	7,067	5,509
Academy Trust	51,836	8,436	2,938	11,597	74,807	61,558

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	44,357	44,357
Current assets	13,435	10,150	5,449	29,034
Creditors due within one year	(268)	(4,196)	(1,285)	(5,749)
Creditors due in more than one year	-	-	(68)	(68)
Provisions for liabilities and charges	-	(6,772)	-	(6,772)
Total	13,167	(818)	48,453	60,802

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	41,212	41,212
Current assets	8,225	9,394	3,336	20,955
Creditors due within one year	(283)	(2,683)	(287)	(3,253)
Creditors due in more than one year	-	(81)	-	(81)
Provisions for liabilities and charges	-	(32,163)	-	(32,163)
Total	7,942	(25,533)	44,261	26,670

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

	2022 £000	2021 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(6,106)	2,226
Adjustments for:		
Depreciation	1,870	1,543
Dividends, interest and rents from investments	(16)	(4)
Capital grants from DfE and other capital income	(3,180)	(4,019)
Defined benefit pension scheme obligation inherited on conversion	10,342	5,442
Defined benefit pension scheme cost less contributions payable	3,899	2,648
Defined benefit pension scheme finance cost	606	451
Increase in debtors	(1,126)	(429)
Increase in creditors	2,014	1,588
Transfer from local authority on conversion	(1,756)	(3,405)
Donation of fixed assets from Local Authority	-	(594)
Net cash provided by operating activities	6,547	5,447

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21. Cash flows from financing activities

	2022 £000	2021 £000
Cash inflows from new borrowing	-	100
Repayments of borrowing	(14)	(164)
Net cash used in financing activities	(14)	(64)

22. Cash flows from investing activities

	2022 £000	2021 £000
Dividends, interest and rents from investments	16	4
Purchase of tangible fixed assets	(3,851)	(2,691)
Capital grants from DfE Group	3,317	3,883
Cash transferred on conversion	372	1,303
Net cash (used in)/provided by investing activities	(146)	2,499

23. Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand and at bank	25,048	18,661
Total cash and cash equivalents	25,048	18,661

24. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	18,661	6,387	25,048
Debt due within 1 year	(15)	1	(14)
Debt due after 1 year	(81)	13	(68)
	18,565	6,401	24,966

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25. Conversion to an academy trust

On 1 December 2021 St John Vianney Catholic Primary School, Hartlepool converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Hogarth Catholic Education Trust from Hartlepool Borough 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 funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	102	102
Current assets				
Cash - representing budget surplus on LA funds	258	-	-	258
Defined benefit pension scheme surplus/(deficit)	-	(2,083)	-	(2,083)
Net assets/(liabilities)	<u>258</u>	<u>(2,083)</u>	<u>102</u>	<u>(1,723)</u>

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25. Conversion to an academy trust (continued)

On 1 February 2022 St Wilfrid's Catholic Primary School, Bishop Auckland converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Hogarth 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	-	120	120
Other tangible fixed assets	-	10	10
Current assets			
Cash - representing budget surplus on LA funds	219	-	219
Net assets	<u>219</u>	<u>130</u>	<u>349</u>

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25. Conversion to an academy trust (continued)

On 1 February 2022 Blessed John Duckett Catholic Primary School, Tow Law converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Hogarth 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	-	110	110
Current assets			
Cash - representing budget surplus on LA funds	128	-	128
Net assets	<u>128</u>	<u>110</u>	<u>238</u>

On 1 May 2022 St Cuthbert's Catholic Primary School, Crook converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Hogarth 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	-	107	107
Other tangible fixed assets	-	7	7
Current assets			
Cash - representing budget surplus on LA funds	95	-	95
Net assets	<u>95</u>	<u>114</u>	<u>209</u>

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25. Conversion to an academy trust (continued)

On 1 May 2022 St Mary's Catholic Primary School, Barnard Castle converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Hogarth 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	-	129	129
Other tangible fixed assets	-	7	7
Current assets			
Cash - representing budget surplus on LA funds	113	-	113
Net assets	<u>113</u>	<u>136</u>	<u>249</u>

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

On 1 May 2022 St Mary's Catholic Primary School, Newton Aycliffe converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Hogarth 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	-	90	90
Current assets			
Cash - representing budget surplus on LA funds	237	-	237
Net assets	<u>237</u>	<u>90</u>	<u>327</u>

Also included within Transfer from Local Authority on conversion is £25,000 received from Durham County Council in relation to Our Lady and St Thomas, Willington, which converted to academy trust status on 1 July 2021.

26. 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 Durham County Council and Middlesbrough Borough 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 £nil were payable to the schemes at 31 August 2022 (2021 - £nil) and are included within creditors.

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.

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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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 £6,672,000 (2021 - £5,869,000).

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 2022 was £2,998,000 (2021 - £2,324,000), of which employer's contributions totalled £2,280,000 (2021 - £1,811,000) and employees' contributions totalled £718,000 (2021 - £575,000). The agreed contribution rates for future years are 17.5-19.7% for employers and 5.5-12.5% for employees.

As described in note 1.13 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

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26. Pension commitments (continued)

Principal actuarial assumptions

Durham County Council Pension Fund

	2022 %	2021 %
Rate of increase in salaries	3.70	3.60
Rate of increase for pensions in payment/inflation	2.70	2.60
Discount rate for scheme liabilities	4.10	1.70
Inflation assumption (CPI)	2.70	2.60
Commutation of pensions to lump sums	85.00	85.00

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

	2022 Years	2021 Years
Retiring today		
Males	22.1	22.3
Females	24.2	24.3
Retiring in 20 years		
Males	23.2	23.3
Females	25.7	25.8

Teesside Pension Fund

	2022 %	2021 %
Rate of increase in salaries	4.05	3.60
Rate of increase for pensions in payment/inflation	3.05	2.60
Discount rate for scheme liabilities	4.25	1.70
Inflation assumption (CPI)	3.05	2.60
Commutation of pensions to lump sums	80.00	80.00

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

	2022 Years	2021 Years
Retiring today		
Males	21.7	21.9
Females	23.5	23.6
Retiring in 20 years		
Males	22.9	23.3
Females	25.3	25.4

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26. Pension commitments (continued)

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(1,035)	(1,812)
Discount rate -0.1%	1,335	1,812
Mortality assumption - 1 year increase	(1,945)	(2,783)
Mortality assumption - 1 year decrease	1,945	2,817
CPI rate +0.1%	1,152	1,523
CPI rate -0.1%	(1,152)	(1,482)

Share of scheme assets

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

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	31,111	29,311
Government bonds	2,222	2,669
Corporate bonds	865	2,979
Property	7,041	2,874
Cash and other liquid assets	4,466	2,811
Other	3,893	1,311
Total market value of assets	49,598	41,955

The actual return on scheme assets was £3,451,000 (2021 - £6,522,000).

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

	2022 £000	2021 £000
Current service cost	(6,089)	(4,411)
Interest income	787	535
Interest cost	(1,393)	(986)
Total amount recognised in the Statement of Financial Activities	(6,695)	(4,862)

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26. Pension commitments (continued)

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

	2022 £000	2021 £000
At 1 September	74,118	51,996
Conversion of academy trusts	-	11,824
Transferred in on existing academies joining the trust	10,604	-
Current service cost	6,089	4,411
Interest cost	1,393	986
Employee contributions	697	561
Actuarial (gains)/losses	(35,959)	4,866
Benefits paid	(572)	(526)
At 31 August	<u>56,370</u>	<u>74,118</u>

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

	2022 £000	2021 £000
At 1 September	41,955	27,253
Conversion of academy trusts	-	6,382
Transferred in on existing academies joining the trust	262	-
Interest income	787	535
Actuarial gains	4,279	5,987
Employer contributions	2,190	1,763
Employee contributions	697	561
Benefits paid	(572)	(526)
At 31 August	<u>49,598</u>	<u>41,955</u>

27. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
Amounts payable:		
Within one year	14	41
Between one and five years	13	24
	<u>27</u>	<u>65</u>

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28. Members' liability

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

29. 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 Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

The Diocese of Hexham and Newcastle appoints the members of the Trust. During the year, the Trust purchased £106,000 (2021: £78,000) of services from the Diocese to maintain the Catholic ethos of the Trust. The Trust also made contributions of £90,000 (2021: £55,000) in respect of capital projects funded by the Diocese. At 31 August 2022, there was £3,000 (2021: £23,000) due to the Diocese.

30. Agency arrangements

The Academy Trust distributes Carmel Teacher Training Partnership bursary funds to trainee teachers as an agent for the Department for Education. In the accounting period ending 31 August 2022 the Academy Trust received £192,000 (2021: £949,000) and disbursed £176,000 (2021: £895,000) from the fund. An amount of £16,000 is included in other creditors (2021: £59,000) relating to undistributed funds that is repayable to the Department for Education.

The Academy Trust distributes 16-19 Bursary funds as an agent for the ESFA. In the accounting period ending 31 August 2022 the Academy Trust received £80,000 (2021: £44,000) and disbursed £26,000 (2021: £21,000) from the fund.