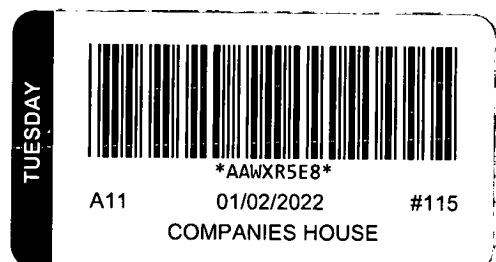


Company Registration Number: 07808732 (England & Wales)

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

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



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

Bishop R Byrne
D Fox
J Ledger
Rev. Canon P Leighton, Vicar General
Rev. S Lerche, Episcopal Vicar, Education

Directors

M Matthews, Chair²
A M Aisbitt (appointed 23 February 2021)
E E Bradshaw
Fr J Butters
Y R Coates¹
P M Frank²
A D Mitchell²
C A Powell¹
I M Sebastine¹
J Wilson (resigned 31 August 2021)^{1,2}
C R Wiper²

¹ members of the Resources Committee

² members of the Audit Committee

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

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

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

Senior management team

Dame M Regan DBE, OBE, DL, Chief Executive Officer
M P Shorten, Deputy CEO
J Moorhouse, Chief Operating Officer
D Leane, Finance Manager
J Kenshole, Governance Manager

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
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

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

The Academy Trust operates five secondary and twenty four primary Catholic academies in the Diocese of Hexham and Newcastle, covering Darlington, Durham, Hartlepool and Stockton-on-Tees. It's academies have a combined pupil capacity of 11,385 and had a roll of 11,685 in the school census on 20 May 2021.

The following schools joined the Academy Trust during the year:

- St Chad's Catholic Primary School, Durham – joined 1 December 2020
- St Bega's Catholic Primary School, Hartlepool – joined 1 December 2020
- Sacred Heart Catholic Primary School, Hartlepool – joined 1 December 2020
- St Joseph's Catholic Primary School, Hartlepool - joined 1 February 2021
- St Teresa's Catholic Primary School, Hartlepool - joined 1 February 2021
- St Cuthbert's Catholic Primary School, Hartlepool - joined 1 March 2021
- St Cuthbert's Catholic Primary School, Stockton- joined 1 April 2021
- St Patrick's Catholic Primary School, Stockton - joined 1 April 2021
- St Joseph's Catholic Primary School, Durham – joined 1 June 2021
- St Charles Catholic Primary School, Durham – joined 1 June 2021
- Our Lady & St Thomas Catholic Primary School, Durham – joined 1 July 2021

Structure, governance and management

Constitution

The Academy Trust is a Charitable Company limited by guarantee and an exempt charity.

The Charitable Company's Memorandum of Association is the primary governing document of the Academy Trust.

The Directors of Bishop 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.

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

Members' liability

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

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 2021

Structure, governance and management (continued)

Method of recruitment and appointment or election of Directors

The Academy Trust has a set of rules and procedures setting out how it is run and how it conducts its business and meetings. These are known as the Articles of Association and set out the Academy Trust's charitable objects. The Articles detail the constitution of the Company and the rules for the appointment and removal of its Members 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. Rev. Canon Peter Leighton, Vicar General
- c. Rev. Simon Lerche, Episcopal Vicar, Education
- d. Deborah Fox, Director of Education
- e. Jeff Ledger, Deputy Chief Operating Officer

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.

Organisational structure

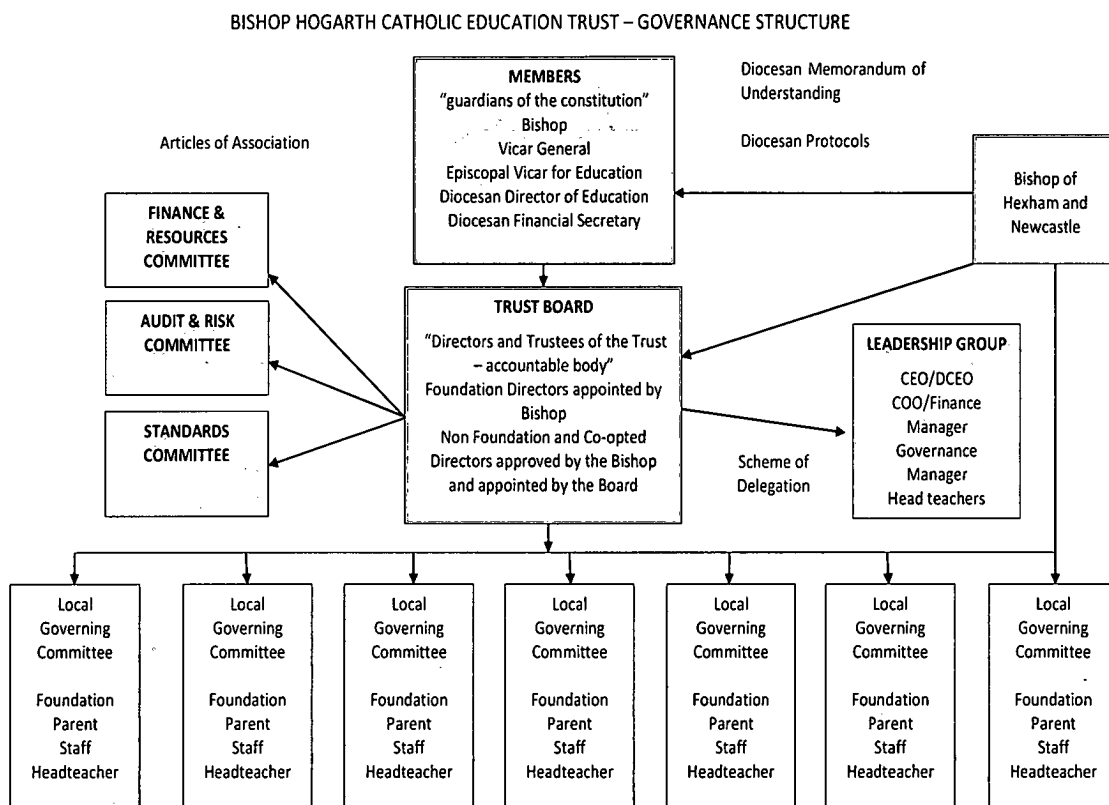
The Bishop Hogarth Catholic Education Trust is a Multi-Academy Trust and as such is a single legal entity with one governing body (the Board of Directors) which is accountable for all academies in the Trust. The Directors are the Governors.

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 twenty-nine schools currently in the Academy Trust are accountable to twenty-six Local Governing Committees, one Joint Local Governing Committee and one school being overseen by an Interim Advisory Board to facilitate rapid improvement.

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

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

Structure, governance and management (continued)



Arrangements for setting pay and remuneration of key management personnel

The Pay Policy for all staff, including key management personnel, is governed by the Pay Policy 2020-21 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.

Trade Union facility time

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

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:

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

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

Structure, governance and management (continued)

- 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
- Governance Manager
- 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.

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 Governing Committee is requested to have a link Governor with responsibility for community engagement. The role includes:

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

- 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.

Objectives and activities

Objects and aims

The main objectives of the Academy Trust during the year ended 31 August 2021 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 2019. The Plan sets out the Academy Trust's vision, values, outcomes and priorities for the period 2019-21 as follows:

Outcome 1: To ensure that our students can develop their character and resilience through an exciting offer of opportunities

Improvement theme: To harness the interests of staff and volunteers to provide a wide interest in life beyond the classroom.

Key Priorities:

- To establish a strong culture of virtue / character education across the Academy Trust.
- To develop the culture, vision and values of each school through the exploration of key virtues.
- To develop through collaborative practice how virtues form part of our unique Catholic curriculum.

Outcome 2: To secure the highest standards of achievement for all through the provision of a broad and balanced curriculum

Improvement theme: Progression / transition between Key Stage 2 & Key Stage 3.

Our aim is to develop cohesion and continuity of a broad-based curriculum that focusses on progresses from Key Stage 1 to Key Stage 5.

Key Priorities:

- To develop an all-through approach to transition from primary to secondary within Academy Trust schools.
- To ensure continuity of progress & standards of expectations from Key Stage 2 to Key Stage 3.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

- To build progressive transition partnerships.
- To develop greater understanding between staff of the Key Stage 2/3 interface and curricular expectations to ensure that progress is maximised for children in our care.
- Review progression between Key Stage 2 and Key Stage 4/5 as part of a seamless curriculum for the Academy Trust.

Outcome 3: Develop systems of support and a culture that nurtures resilience and promotes Agape

Improvement theme: Mental Health & Emotional Well-being

Key Priorities:

- To develop a suite of policies relating to staff well-being including those relating to workload.

Outcome 4 – Our behaviour systems will be positive and reflect values of reconciliation

Improvement theme: Improve the behaviour and attendance pupils, particularly those who are vulnerable

Key Priorities:

- To embed attendance procedures.
- To review Academy Trust behaviour policies including systems for rewards and recognition.

Outcome 5: To have collaborative, purposeful, manageable and meaningful systems for staff effectiveness and well-being

Improvement theme: Staff Development & Well-being

Key Priorities:

- To harness the benefits of the skills and experience across the Academy Trust to give specialised support & training for middle & senior leaders.
- To maximise the expertise and opportunities afforded by the Carmel Professional Training Centre.
- To develop a Trust-wide approach of 'grow your own' through 'deep' involvement in ITT, NQT & RQT training programmes.
- To develop a Trust-wide coherent Recruitment & Retention Strategy that incorporates:

Outcome 6 - Teaching that is planned, resourced and delivered that engages in purposeful learning at all levels

Improvement theme: Closing the Reading & Vocabulary Gap.

Key Priorities:

- To deliver training on "Repairing the text" and explicit teaching of reading skills via Academy Trust staff and specialists in literacy.
- To raise the profile of importance of teaching vocabulary across all key stages in particular Tier 2 words.
- To further close the gap in Reading attainment and progress between disadvantaged and non-disadvantaged.
- To ensure that the teaching of Reading is of high quality across all Academy Trust schools.
- To ensure that resources for Reading are of high quality and relevant.

Public benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

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

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

Strategic report

Achievements and performance

Key performance indicators

Our key Academy Trust priorities are detailed in the Objectives, Strategies and Activities section of this report. These cover all aspects of school and student life. Our key performance indicators focus on the academic results of our students and are summarised below.

Progress 8 for all students across the five secondary schools continues to be high, with a score of +0.02 in 2019 (being higher than national), +0.16 in 2020 and +0.4 in 2021 (scores for 2020 and 2021 are not from external examinations). Disadvantaged students across the Academy Trust made better progress than their national counterparts in 2019, although disadvantaged progress remains an area for improvement across the Academy Trust.

Academy Trust attainment at GCSE exceeds national, although the Academy Trust's EBacc entry rate is lower than national but has risen 8% during the last 3 years.

Key Stage 4 Headline Measures	2019		2020 *		2021 *	
	Trust	National	Trust	National	Trust	National
Attainment 8 Score	50.3	46.7	52.4	50.2	53.7	-
% achieving grade 9-4 (standard pass) in English and Maths	74%	65%	77%	71%	77%	-
% achieving grade 9-5 (strong pass) in English and Maths	50%	43%	56%	50%	56%	-
% entering the English Baccalaureate (EBacc)	30%	40%	31%	40%	38%	-
EBacc Average Point Score	4.21	4.07	4.42	4.38	4.66	-

*Not from external examinations.

81% of GCSE entries across the five Academy Trust secondary schools were graded 9 to 4, which is 2% higher than 2021 national rate, with 65% of entries graded 9 to 5, which is also 2% higher than national. 30% of entries were graded 9 to 7 (same as national), with 7% of entries graded 9.

In Primary, the Academy Trust attainment in 2019 Key Stage 2 SATs was above national, with attainment particularly strong at the expected standard. The gap between disadvantaged students within the Academy Trust and other pupils - both nationally and within the Academy Trust - has completely closed in four of the five primary schools who were with the Academy Trust throughout the 2018/19 academic year.

Key Stage 2 Measure	Trust	National
% at the expected standard in reading, writing and Maths	73%	65%
% at a higher standard in reading, writing and Maths	13%	11%

Key Stage 1 to 2 progress averages for the Academy Trust remain above national in all subjects:

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Subject	Key Stage 1 to 2 Progress Score				
	2016	2017	2018	2019	National
Reading	-0.4	+1.3	+0.8	+0.5	+0.03
Writing	+0.7	+1.4	+1.1	+0.5	+0.03
Mathematics	0.0	+0.9	+0.5	+0.7	+0.03

In 2019, eighteen of the twenty-four Academy Trust primaries attained above national average at the expected standard, with fourteen doing so at a higher standard.

In 2021, A Level performance for the Academy Trust continues to be above national performance, with students achieving an average grade per A Level entry of B+ and an A Level progress score of +0.56. Performance in applied general qualifications is also strong, with Academy Trust students achieving an average grade per entry of 'Distinction+' and progress score of +0.58. Disadvantaged students achieve and progress strongly in sixth form too, with their outcomes similar to that of non-disadvantaged students at A Level and above non disadvantaged students in applied general qualifications.

2021 Cohort *	Trust		National
	All Students	Disadvantaged	All Students
A Level	41.99 (grade B+)	40.95 (grade B)	39.51 (grade B)
Applied General	37.64 (grade Dist+)	41.17 (grade Dist+)	31.25 (grade Dist-)

* Not from external examinations.

43% of A Level entries in 2021 were graded A*-A, with 70% graded A*-B. The pass rate for the Academy Trust in 2021 was 100%.

Grade threshold	2021 *	
	Trust	National
A*	19%	19%
A*-A	43%	44%
A*-B	70%	70%
A*-C	89%	88%
A*-D	97%	96%
Pass Rate (A*-E)	100.0%	99.5%

* Not from external examinations.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Carmel Professional Training Centre

Carmel Teaching School is now known as Carmel Professional Training Centre as Teaching Schools ceased to be operational on 31st August 2021.

Carmel Teacher Training Partnership – Cohort 2020-2021, 86 trainees were awarded QTS status, 56 secondary and 29 primary. Trainee attainment – 93% of the cohort were judged to be outstanding or good and 62% were awarded PGCE from St Mary's University. The three-year contract with St Mary's for PGCE provision ended this year. As a Partnership, we held extensive discussions with a wide range of Providers to provide our PGCE programme. Our new provider is Leeds Trinity University.

The College was successful in being awarded Behaviour Hub Status, one of only 22 schools nationally. We are allocated two new schools each term providing them with support from action planning, implementation of actions and resources to improve consistency in establishing routines. The schools we are working with have applied to be part of this national programme which has helped establish their levels of engagement. In addition, we were successful in our bid to be a Subject Knowledge Enhancement Provider. Developing subject knowledge in nine subjects for secondary trainees who have been accepted onto the secondary Initial Teacher Training Programme as well as primary mathematics.

School to School support: In 2020-21 we supported both St Aidan's Church of England Academy, Darlington and St Hild's Church of England School, Hartlepool with a range of measures. St Aidan's were supported in History, MFL and English. In addition, further guidance was given to support transition from Year 6 to Year 7. We offered support regarding Year 6 transition at St Hild's who were also supported in Science, Maths, RE, Computing and English.

The establishment of the Strategic Board was a fantastic achievement. There has been a change in the leadership structure with the appointment of a new Interim Director of the Research Schools. The recruitment and awarding of 26 Evidence Leads in Education (ELEs), who range from experienced and confident users and deliverers of evidence-based support to those in the "aspiring" category. We are working in partnership with Redcar & Cleveland Local Authority to break the cycle between family income and educational performance. This partnership model is being established in Darlington in the Autumn term. Training has commenced with the ELEs allowing them to deliver on a wide range of evidenced based programmes. The Research School also launched an annual conference in July which was well attended and well received.

Archimedes NE Maths Hub worked with 345 participants from 216 unique schools across County Durham and the Tees Valley. 87% of primary schools were involved with the Teaching for Mastery Programme now have a sustained relationship with the Maths Hub. These schools are more involved, continuing their mastery journey from development to leading and sustaining Work Groups. Most professional development moved online during Covid and the offer included EYFS subject knowledge to A-level pedagogy, offering a support to a wide range of colleagues.

The Science Learning Partnership (SLP) moved all CPD online and each SLP was allocated specific training to deliver. Our SLP delivered subject knowledge enhancement training for triple science GCSE and A level Biology. Online courses initially recruited very well (especially during the lockdowns) but understandably tailed-off following the return of all pupils to school. As an SLP we are now offering bespoke training packages to MATs, LAs, ITE providers. KPIs have been reinstated for this academic year 2021-2022.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

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

The Companies (Miscellaneous Reporting) Regulations 2018 requires the Trust to make a statement describing how we have regard to the matters detailed below:

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

The diagram on the following page summarises graphically our approach.

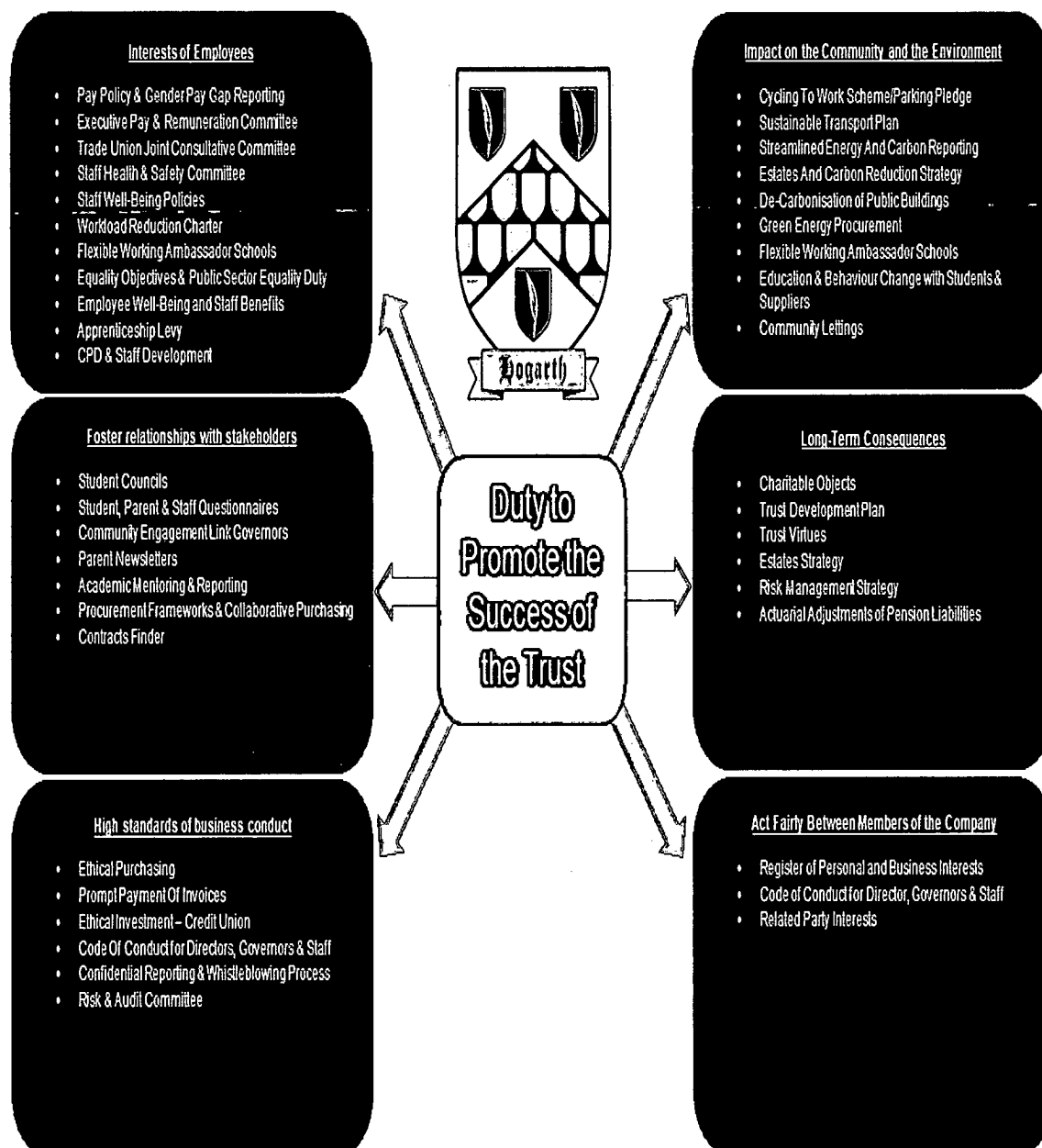
BISHOP HOGARTH CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

Strategic policy report (continued)

Achievements and performance (continued)

Promoting the success of the company



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

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

Strategic report (continued)

Financial review

Most of the Academy Trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also 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.

In addition, the Academy Trust receives income from DfE/ESFA for its activities as a Teaching School. Teaching Schools ceased to be operational on 31 August 2021. During the year ended 31 August 2021, the Academy Trust received total income of £863,000 relating to this activity.

During the year ended 31 August 2021, total expenditure of £63,101,000 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 £5,613,000.

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 £4,431,000.

At 31 August 2021 net book value of fixed assets was £41,212,000 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 £32,163,000 recognised on the Balance Sheet.

The Academy Trust held fund balances as at 31 August 2021 of £26,670,000. This comprises the deficit pension reserve of £32,163,000, restricted fixed asset funds of £44,261,000, restricted income funds of £6,630,000 and unrestricted funds of £7,942,000.

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

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

Reserves Policy

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 unrestricted reserves of £10,725,000. This amount reflects the current stage of the Academy Trust's expansion. With Bishop Hogarth Catholic Education Trust having grown from 18 to 29 schools during this year, significant reserves are required to be able to support all pupils irrespective of the level of reserves held by individual schools.

The final 6 schools are expected to join Bishop Hogarth Catholic Education Trust in the 2021-22 academic year as part of the Diocesan Academy Plan. 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.

Part of these unrestricted funds are held to cover specific revenue risks identified in relation to:

- Additional costs to ensure the Academy Trust remains COVID secure and minimises the need for remote learning.
- Continued improvement of remote learning resources to support pupils that are unable to physically attend school because of COVID or other factors.
- 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).
- Management capacity for large-scale procurement exercises and to implement efficiency programme / contract management.
- Information governance/ information security.
- Business continuity planning.
- Sustainability of faith and associated school transport policy.

Part of these unrestricted funds are held to cover specific capital risks identified in relation to:

- Supplementing School Condition Allocation funding to maximise condition capital projects.
- Supporting energy efficiency capital projects, including roofing, windows, heating and lighting.
- Expansion / refurbishment of existing school sites.
- Site safeguarding / car park projects.
- Toilet, kitchen and Sports Hall upgrades.
- PC / laptop / iPad / compliance with latest operating platforms.

The individual school balances detailed in note 18 form the Academy Trust's reserves of £14,572,000. After deducting the restricted income funds of £6,630,000, the Academy Trust's current level of reserves are £7,942,000. The Academy Trust's unrestricted reserves target of £10,725,000 is therefore higher than the current level of unrestricted reserves, but lower than the Academy Trust's reserves when restricted income funds are included. While an additional 6 schools will be joining the Academy Trust in the next financial year which will bring in some additional reserves, it is expected that the overall level of reserves will begin to fall reflecting the cost of the opportunities and risks detailed above.

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

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

Investment policy

The Academy Trust invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

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 2021

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

Streamlined energy and carbon reporting

	2021	2020
Energy consumption used to calculate emissions (kWh)	15,133,440	8,637,740
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	2,165.92	1,154.39
Owned transport	18.71	28.46
Total scope 1	<u>2,184.63</u>	<u>1,182.85</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>683.21</u>	<u>495.00</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>5.63</u>	<u>13.59</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>2,873.47</u>	<u>1,691.44</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.31</u>	<u>0.19</u>

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

- 2020 Government greenhouse gas conversion factors for company reporting (July 2020 as updated June 2021).
- The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard.
- Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting requirements (March 2019).

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:

- Increased the use of media technologies to avoid travel (Microsoft Teams, video conferencing).
- Invested in replacement roof projects in four of our schools increasing the thermal efficiency of the buildings.
- Invested in replacement boiler & control projects in eight of our schools improving the efficiency of the systems.
- Replaced light fittings with LED as required.
- 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 2021

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. The Academy Trust will complete the implementation of the Diocesan Academy Plan within the next year when Bishop Hogarth Catholic Education Trust will complete its growth from 29 to 35 schools. Through 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 for:

- Trainee teachers
- Participants of training, CDP programmes and professional learning events
- Participants of the Archimedes NE Maths Hub
- Participants in the Carmel College Science Learning Partnership
- Computing Hub
- Research School

The Academy Trust carefully manages the resources required for the school improvement work it carries out and carries out regular capacity reviews.

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Directors are aware:

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

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 15 December 2021 and signed on its behalf by:



M Matthews
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 11 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
M Matthews, Chair	10	11
A M Aisbitt (appointed 23 February 2021)	5	6
E E Bradshaw	6	11
Fr J Butters	7	11
Y R Coates	11	11
P M Frank	8	11
A D Mitchell	8	11
C A Powell	9	11
I M Sebastine	9	11
J Wilson (resigned 31 August 2021)	11	11
C R Wiper	10	11

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

The Board of Directors was fully compliant in all areas with the exception of fulfilling the recommended frequency of meetings for the Audit & Risk Committee. This was as a result of the restrictions imposed by COVID-19.

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

1. To 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. To 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.

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

During the year David Leane, who is a qualified accountant, joined the committee. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Y R Coates	2	2
C A Powell	2	2
I M Sebastine	2	2
J Wilson (resigned 31 August 2021)	1	2

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, to 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
P M Frank	1	3
M Matthews	3	3
A D Mitchell	3	3
J Wilson	2	3
C R Wiper	3	3

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:

- Overseeing the Academy Trust's Flexible Working Ambassador School programme to improve staff recruitment and retention, both saving costs and improving outcomes for pupils.
- Utilising Government recommended frameworks (including Crown Commercial Services, G-Cloud and Crescent Purchasing Consortium) for large value procurement (including broadband, financial management systems and minibuses).
- Adoption of the DfE Academies Chart of Accounts to facilitate benchmarking and save time on the production of financial reports.
- Consolidating the Academy Trust's financial reporting into a single accounting software system.
- Leading on enhanced budget setting procedures across the enlarged Academy Trust, including a focus with the COO and Headteachers on the percentage of staff costs and pupil numbers.
- Directing an Academy Trust wide programme of improvements to wrap-around provision to improve flexibility for parents, generate income and ultimately increase pupil numbers and funding.
- Driving forward the Academy Trust expansion programme enabling increased purchasing power and economies of scale.

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

GOVERNANCE STATEMENT (CONTINUED)

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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of 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 MHA Tait Walker.

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

- ESFA, DfE & 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
- Pensions
- Financial Systems and Segregation of Duties
- Month End Procedures
- Website/ICT Compliance
- Related Parties & Companies House
- Policies & Filing Compliance

BISHOP HOGARTH CATHOLIC EDUCATION TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- Financial Oversight
- Financial Planning
- Compliance with Delegated Authorities
- Risk Management
- General Data Protection Regulations (GDPR)
- Health and Safety
- Review of Implementation of Recommendations

The reviewer 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.

The internal auditor has delivered their schedule of work as planned, with no material control issues arising as a result of the internal auditor's work. Due to COVID-19, the internal auditor's work programme was delivered through remote audit fieldwork culminating in a single comprehensive report. It is expected that onsite termly audit fieldwork and reporting will recommence in 2021-22.

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 auditors;
- the work of the external auditors
- the financial management and governance self-assessment process or 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 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 to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 15 December 2021 and signed on their behalf by:



M Matthews
Chair



M Regan DBE OBE, DL
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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



M Regan DBE OBE, DL
Accounting Officer
Date: 15 December 2021

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

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

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make 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 15 December 2021 and signed on its behalf by:



M Matthews
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 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

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:

17 December 2021

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

This report is made solely to Bishop 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 Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

BISHOP 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)

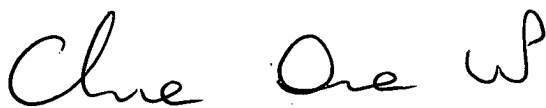
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

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

Conclusion

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



Reporting Accountant
Clive Owen LLP

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 17 December 2021

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 2021**

		Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfer from Local Authority on conversion		1,339	(5,442)	2,066	(2,037)	(2,017)
Acquisition of existing academy		-	-	-	-	20,444
Other donations and capital grants		62	-	4,631	4,693	4,662
Charitable activities:	4					
Funding for the academy trust's educational operations		1,377	59,203	-	60,580	40,464
Teaching schools	31	-	863	-	863	723
Other trading activities	5	1,224	-	-	1,224	543
Investments	6	4	-	-	4	32
Total income		4,006	54,624	6,697	65,327	64,851
Expenditure on:						
Charitable activities	7,8	2,105	58,590	1,543	62,238	43,389
Teaching schools		-	863	-	863	723
Total expenditure		2,105	59,453	1,543	63,101	44,112
Net income/ (expenditure)		1,901	(4,829)	5,154	2,226	20,739
Transfers between funds	18	-	(1,182)	1,182	-	-
Net movement in funds before other recognised gains/(losses)		1,901	(6,011)	6,336	2,226	20,739
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	1,121	-	1,121	(3,651)
Net movement in funds		1,901	(4,890)	6,336	3,347	17,088

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 2021


	Unrestricted	Restricted	Restricted	Total	Total
	funds	funds	fixed asset	funds	funds
	2021	2021	2021	2021	2020
Note	£000	£000	£000	£000	£000
Reconciliation of funds:					
Total funds brought forward	6,041	(20,643)	37,925	23,323	6,235
Net movement in funds	1,901	(4,890)	6,336	3,347	17,088
Total funds carried forward	<u>7,942</u>	<u>(25,533)</u>	<u>44,261</u>	<u>26,670</u>	<u>23,323</u>

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	14	41,212	37,230
		<u>41,212</u>	<u>37,230</u>
Current assets			
Debtors	15	2,294	1,865
Cash at bank and in hand		18,661	10,779
		<u>20,955</u>	<u>12,644</u>
Creditors: amounts falling due within one year	16	(3,253)	(1,663)
Net current assets		<u>17,702</u>	<u>10,981</u>
Total assets less current liabilities		<u>58,914</u>	<u>48,211</u>
Creditors: amounts falling due after more than one year	17	(81)	(145)
Net assets excluding pension liability		<u>58,833</u>	<u>48,066</u>
Defined benefit pension scheme liability	26	(32,163)	(24,743)
Total net assets		<u><u>26,670</u></u>	<u><u>23,323</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	44,261	37,925
Restricted income funds	18	6,630	4,100
		<u>50,891</u>	<u>42,025</u>
Restricted funds excluding pension asset	18	50,891	42,025
Pension reserve	18	(32,163)	(24,743)
Total restricted funds	18	<u>18,728</u>	<u>17,282</u>
Unrestricted income funds	18	<u>7,942</u>	<u>6,041</u>
Total funds		<u><u>26,670</u></u>	<u><u>23,323</u></u>

The financial statements on pages 32 to 79 were approved by the Directors, and authorised for issue on 15 December 2021 and are signed on their behalf, by:


M Matthews
Chair

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	5,447	1,671
Cash flows from investing activities	22	2,499	2,528
Cash flows from financing activities	21	(64)	(8)
Change in cash and cash equivalents in the year		7,882	4,191
Cash and cash equivalents at the beginning of the year		10,779	6,588
Cash and cash equivalents at the end of the year	23, 24	<u>18,661</u>	<u>10,779</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 2021

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 2020 to 2021 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, Carmel Community Services Limited, are not considered material to the financial statements.

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.

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

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

1. Accounting policies (continued)

1.4 Income (continued)

- **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.

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.

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

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

1. Accounting policies (continued)

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:

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.

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

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

1. Accounting policies (continued)

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.

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.

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

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

1. Accounting policies (continued)

1.13 Pensions (continued)

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.

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.

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

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

1. Accounting policies (continued)

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 National College for Teaching and Leadership. 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 Sacred Heart Catholic Primary School, St Bega's Catholic Primary School, St Chad's Catholic Primary School, St Joseph's Catholic Primary School Hartlepool, St Teresa's Catholic Primary School, St Cuthbert's Catholic Primary School Hartlepool, St Cuthbert's Catholic Primary School Stockton, St Patrick's Catholic Primary School Stockton, Our Lady and St Thomas Catholic Primary School Willington, St Charles' Catholic Primary School Tudhoe and St Joseph's Catholic Primary School Coundon 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
(A Company Limited by Guarantee)

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

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 £1,543,000.

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
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Donations					
Transfer From Local Authority on conversion	1,339	(5,442)	2,066	(2,037)	(2,017)
Acquisition of existing academy	-	-	-	-	20,444
	<u>1,339</u>	<u>(5,442)</u>	<u>2,066</u>	<u>(2,037)</u>	<u>18,427</u>
Donations	62	-	612	674	3,797
Capital Grants	-	-	4,019	4,019	865
Subtotal	<u>62</u>	<u>-</u>	<u>4,631</u>	<u>4,693</u>	<u>4,662</u>
	<u>1,401</u>	<u>(5,442)</u>	<u>6,697</u>	<u>2,656</u>	<u>23,089</u>
Total 2020	<u>2,346</u>	<u>(8,429)</u>	<u>29,172</u>	<u>23,089</u>	

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

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

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	47,790	47,790	31,110
Other DfE/ESFA grants				
Pupil Premium	-	2,502	2,502	1,698
PE and Sport Premium	-	291	291	208
UFSM	-	403	403	304
Rates	-	253	253	170
Year 7 Catch Up	-	-	-	39
Teachers' pay grant	-	596	596	431
Teachers' pension grant	-	1,762	1,762	1,293
Other DfE Group grants	-	2,023	2,023	2,089
	-	55,620	55,620	37,342
Other Government grants				
SEN	-	823	823	666
Early Years Funding	-	1,271	1,271	850
Local Authority grants	-	559	559	453
Other Government grants	-	86	86	29
	-	2,739	2,739	1,998
Other income from the Academy Trust's academy's educational operations	1,377	105	1,482	1,124
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	739	739	-
	-	739	739	-
	1,377	59,203	60,580	40,464
Total 2020	1,124	39,340	40,464	

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

The Academy trust received £739k of catch-up premium and the costs incurred in respect of this funding totalled £739k.

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

5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from facilities and services	504	504	255
Non student catering income	10	10	8
Rental and lettings income	11	11	2
Receipts from supply teacher insurance claims	190	190	124
RPA claims	11	11	61
Other	498	498	93
	<u>1,224</u>	<u>1,224</u>	<u>543</u>
Total 2020	<u>543</u>	<u>543</u>	

6. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Bank interest	<u>4</u>	<u>4</u>	<u>32</u>
Total 2020	<u>32</u>	<u>32</u>	

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

7. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000	Total 2020 £000
Academy's educational operations:					
Direct costs	42,861	-	3,938	46,799	30,692
Allocated support costs	6,637	4,137	4,665	15,439	12,697
Teaching school	191	-	672	863	723
	<u>49,689</u>	<u>4,137</u>	<u>9,275</u>	<u>63,101</u>	<u>44,112</u>
Total 2020	<u>33,512</u>	<u>2,665</u>	<u>7,935</u>	<u>44,112</u>	

In 2021 of the total expenditure, £2,105,000 (2020: £1,541,000) was to unrestricted funds and £60,996,000 (2020: £42,571,000) 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 2021**

8. Analysis of expenditure by activities

	Direct costs 2021 £000	Support costs 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Academy's educational operations	46,799	15,439	62,238	43,389
Total 2020	30,692	12,697	43,389	

Analysis of direct costs

	Total funds 2021 £000	Total funds 2020 £000
Staff costs	42,861	28,151
Educational supplies	1,773	1,348
Examination fees	461	368
Staff development	153	92
Technology costs	460	119
Educational consultancy	389	373
Staff expenses	28	54
Supply insurance	281	186
Other costs	393	1
	46,799	30,692

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £000	Total funds 2020 £000
Net interest cost on pension scheme	451	274
Staff costs	6,637	5,131
Depreciation	1,543	1,018
Technology costs	777	410
Staff expenses	20	40
Transport	29	13
Maintenance of premises	499	359
Cleaning	677	316
Other premises costs	501	411
Energy	791	486
Rent and rates	252	170
Insurance	199	144
Operating lease rentals	31	19
Catering	1,437	654
Legal costs - conversion	169	21
Legal costs - other	374	165
Security	26	20
Other costs	965	2,955
Governance costs	61	91
	<u>15,439</u>	<u>12,697</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £000	2020 £000
Operating lease rentals	31	19
Depreciation of tangible fixed assets	1,543	1,018
Fees paid to auditors for:		
- audit	28	27
- other services	10	48
	<u>1,581</u>	<u>1,094</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	35,476	24,271
Social security costs	3,576	2,390
Operating costs of defined benefit pension schemes	10,328	6,609
	<hr/> 49,380	<hr/> 33,270
Agency staff costs	297	226
Staff restructuring costs	12	16
	<hr/> 49,689	<hr/> 33,512
	<hr/> <hr/>	<hr/> <hr/>

Included in operating costs of defined pension schemes is a debit of £2,648,000 (2020: £1,375,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2021 £000	2020 £000
Severance payments	12	16
	<hr/> 12	<hr/> 16
	<hr/> <hr/>	<hr/> <hr/>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2020: £8,000).

c. Staff numbers

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

	2021 No.	2020 No.
Leadership	27	27
Teachers	595	571
Education and Administration Support, including premises, cleaning and catering	708	643
	<hr/> 1,330	<hr/> 1,241
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

d. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	18	12
In the band £70,001 - £80,000	8	4
In the band £80,001 - £90,000	6	4
In the band £90,001 - £100,000	1	1
In the band £110,001 - £120,000	1	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
In the band £170,001 - £180,000	-	1
In the band £200,001 - £210,000	1	-

e. Key management personnel

The key management personnel of the Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £706,000 for 5 staff (2020: £683,000 for 6 staff).

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FOR THE YEAR ENDED 31 AUGUST 2021**

11. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

		2021 £000	2020 £000
M Matthews	Remuneration	-	35 - 40
	Pension contributions paid	-	0 - 5
M Regan DBE OBE,DL (resigned 1 April 2020)	Remuneration	-	90 - 95
	Pension contributions paid	-	0 - 5

During the year, no Directors received any benefits in kind (2020: £NIL).

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

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

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:

	2021 £000	2020 £000
Carmel College, Darlington	296	300
The English Martyrs School and Sixth Form College, Hartlepool	378	68
Our Lady & St. Bede Catholic Academy, Stockton	283	279
St John's School & Sixth Form College - A Catholic Academy, Bishop Auckland	328	64
St Michael's Catholic Academy, Billingham	288	287
Holy Family RC Primary School, Darlington	43	64
Our Lady of the Most Holy Rosary Catholic Academy, Billingham	50	65
St Augustine's RC Primary School, Darlington	45	65
St Bede's RC Primary School, Darlington	66	80
St Bede's Catholic Academy, Stockton	54	71
St Gregory's Catholic Academy, Stockton	54	77
St John the Evangelist Roman Catholic Aided Primary School, Billingham	45	30
St Joseph's Roman Catholic Voluntary Aided Primary School, Billingham	49	32
St Joseph's RC Primary School, Newton Aycliffe	6	3
St Joseph's Catholic Academy, Norton	65	84
St Paul's Roman Catholic Primary School	50	34
St Teresa's Catholic Primary School	77	82
St William's Catholic Primary School	7	22
Sacred Heart Catholic Primary School, Hartlepool	30	-
St Bega's Catholic Primary School, Hartlepool	15	-
St Chad's Catholic Primary School, Witton Park	3	-
St Joseph's Catholic Primary School, Hartlepool	9	-
St Teresa's Catholic Primary School, Hartlepool	19	-
St Cuthbert's Catholic Primary School, Hartlepool	14	-
St Cuthbert's Catholic Primary School, Stockton	10	-

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Central services (continued)

St Patrick's Catholic Primary School, Stockton	12	-
Our Lady and St Thomas Catholic Primary School, Willington	1	-
St Charles' Catholic Primary School, Tudhoe	6	-
St Joseph's Catholic Primary School, Coundon	4	-
Total	<u>2,307</u>	<u>1,707</u>

14. Tangible fixed assets

	Leasehold improve- ments £000	Leasehold land £000	Assets under construction £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost							
At 1 September 2020	30,119	3,522	3,816	1,685	2,608	116	41,866
Additions	2,514	-	594	135	334	41	3,618
Acquired on conversion	602	958	-	298	49	-	1,907
At 31 August 2021	<u>33,235</u>	<u>4,480</u>	<u>4,410</u>	<u>2,118</u>	<u>2,991</u>	<u>157</u>	<u>47,391</u>
Depreciation							
At 1 September 2020	1,610	128	-	761	2,063	74	4,636
Charge for the year	926	36	-	248	321	12	1,543
At 31 August 2021	<u>2,536</u>	<u>164</u>	<u>-</u>	<u>1,009</u>	<u>2,384</u>	<u>86</u>	<u>6,179</u>
Net book value							
At 31 August 2021	<u>30,699</u>	<u>4,316</u>	<u>4,410</u>	<u>1,109</u>	<u>607</u>	<u>71</u>	<u>41,212</u>
At 31 August 2020	<u>28,509</u>	<u>3,394</u>	<u>3,816</u>	<u>924</u>	<u>545</u>	<u>42</u>	<u>37,230</u>

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15. Debtors

	2021 £000	2020 £000
Trade debtors	248	248
Other debtors	-	21
Prepayments and accrued income	1,668	1,380
VAT repayable	378	216
	<u>2,294</u>	<u>1,865</u>

16. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Other loans	15	15
Trade creditors	852	263
Other creditors	179	12
Accruals and deferred income	2,207	1,373
	<u>3,253</u>	<u>1,663</u>

	2021 £000	2020 £000
Deferred income at 1 September 2020	621	320
Resources deferred during the year	666	621
Amounts released from previous periods	(621)	(320)
	<u>666</u>	<u>621</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

	2021 £000	2020 £000
Other loans	<u>81</u>	<u>145</u>

Included within other creditors is a loan of £96,000 (2020: £160,000) from the ESFA which is provided on the following terms:

Interest free loan repayable over 7 years.

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

18. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted general funds	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
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
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
Other Government 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>23,323</u>	<u>65,327</u>	<u>(63,101)</u>	<u>-</u>	<u>1,121</u>	<u>26,670</u>

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

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

18. Statement of funds (continued)

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 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.

Catch-up premium 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 25.

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.

A transfer of £1,164,000 has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

The transfer of £18,000 from GAG to the 3G maintenance fund relates to 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 2021.

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18. Statement of funds (continued)

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

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Unrestricted general funds	3,537	4,045	(1,541)	-	-	6,041
Restricted general funds						
General Annual Grant (GAG)	1,648	31,110	(28,178)	(555)	-	4,025
Pupil Premium	-	1,698	(1,698)	-	-	-
Other DfE/ESFA grants	-	4,534	(4,534)	-	-	-
SEN	-	666	(666)	-	-	-
Other Government grants	-	1,332	(1,332)	-	-	-
Transfer in of existing academies	-	1,138	(1,138)	-	-	-
CET University Bursary	22	-	-	-	-	22
Other grants	53	-	-	-	-	53
Carmel Teacher Training Partnership	-	723	(723)	-	-	-
Pension reserve	(9,876)	(9,567)	(1,649)	-	(3,651)	(24,743)
	<u>(8,153)</u>	<u>31,634</u>	<u>(39,918)</u>	<u>(555)</u>	<u>(3,651)</u>	<u>(20,643)</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	578	668	(152)	-	-	1,094
Academy Capital Maintenance Fund	1,500	511	(95)	-	-	1,916
Capital expenditure from GAG	1,127	569	(303)	537	-	1,930
Legacy assets	2,283	2,840	(1,674)	-	-	3,449
Donations	53	20,413	(177)	-	-	20,289
Condition Improvement Fund	1,155	640	(94)	-	-	1,701
Other Government grants	2,092	2,836	(75)	-	-	4,853
Other DfE/ESFA capital grants	386	-	(14)	-	-	372
SCA funding	1,380	578	(53)	-	-	1,905
Other capital funds	162	45	(11)	-	-	196
Carmel College Development Fund	135	-	(5)	-	-	130
3G maintenance fund	-	72	-	18	-	90

**Total
Restricted
funds**

	10,851	29,172	(2,653)	555	-	37,925
	2,698	60,806	(42,571)	-	(3,651)	17,282
Total funds	6,235	64,851	(44,112)	-	(3,651)	23,323

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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 2021 were allocated as follows:

	2021 £000	2020 £000
Carmel College, Darlington	4,196	4,424
The English Martyrs School and Sixth Form College, Hartlepool	1,345	907
Our Lady & St. Bede Catholic Academy, Stockton	1,921	872
St John's School & Sixth Form College - A Catholic Academy, Bishop Auckland	1,775	1,543
St Michael's Catholic Academy, Billingham	716	99
Holy Family RC Primary School, Darlington	194	149
Our Lady of the Most Holy Rosary Catholic Academy, Billingham	193	85
St Augustine's RC Primary School, Darlington	73	23
St Bede's RC Primary School, Darlington	379	190
St Bede's Catholic Academy, Stockton	86	52
St Gregory's Catholic Academy, Stockton	444	369
St John the Evangelist Roman Catholic Aided Primary School, Billingham	47	44
St Joseph's Roman Catholic Voluntary Aided Primary School, Billingham	215	204
St Joseph's RC Primary School, Newton Aycliffe	225	140
St Joseph's Catholic Academy, Norton	300	193
St Paul's Roman Catholic Primary School, Billingham	113	56
St Teresa's Catholic Primary School, Darlington	300	313
St William's Catholic Primary School, Trimdon	118	66
Sacred Heart Catholic Primary School, Hartlepool	64	-
St Bega's Catholic Primary School, Hartlepool	84	-
St Chad's Catholic Primary School, Witton Park	113	-
St Joseph's Catholic Primary School, Hartlepool	234	-
St Teresa's Catholic Primary School, Hartlepool	178	-
St Cuthbert's Catholic Primary School, Hartlepool	107	-
St Cuthbert's Catholic Primary School, Stockton	193	-
St Patrick's Catholic Primary School, Stockton	133	-
Our Lady and St Thomas Catholic Primary School, Willington	1	-
St Charles' Catholic Primary School, Tudhoe	69	-
St Joseph's Catholic Primary School, Coundon	61	-
Bishop Hogarth Catholic Education Trust	695	412
Total before fixed asset funds and pension reserve	14,572	10,141
Restricted fixed asset fund	44,261	37,925
Pension reserve	(32,163)	(24,743)
Total	26,670	23,323

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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 2021 £000	Total 2020 £000
Carmel College, Darlington	5,931	979	1,282	1,225	9,417	9,296
The English Martyrs School and Sixth Form College, Hartlepool	6,169	683	215	1,077	8,144	4,836
Our Lady & St. Bede Catholic Academy, Stockton	3,762	565	114	790	5,231	4,855
St John's School & Sixth Form College - A Catholic Academy, Bishop Auckland	5,745	780	196	1,211	7,932	3,158
St Michael's Catholic Academy, Billingham	4,021	526	67	789	5,403	5,220
Holy Family RC Primary School, Darlington	604	138	24	122	888	839
Our Lady of the Most Holy Rosary Catholic Academy, Billingham	677	153	39	143	1,012	933
St Augustine's RC Primary School	618	159	11	121	909	917
St Bede's RC Primary School, Darlington	924	163	51	151	1,289	1,265
St Bede's Catholic Academy, Stockton	805	140	36	179	1,160	1,116

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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 2021 £000	Total 2020 £000
St Gregory's Catholic Academy, Stockton	791	172	13	162	1,138	1,123
St John the Evangelist Roman Catholic Aided Primary School, Billingham	693	83	29	194	999	901
St Joseph's Roman Catholic Voluntary Aided Primary School, Billingham	740	127	39	144	1,050	722
St Joseph's RC Primary School, Newton Aycliffe	462	105	28	100	695	270
St Joseph's Catholic Academy, Norton	895	174	22	160	1,251	1,260
St Paul's Roman Catholic Primary School, Billingham	835	102	29	149	1,115	770
St Teresa's Catholic Primary School, Darlington	1,194	184	58	194	1,630	1,472
St William's Catholic Primary School, Trimdon	542	97	9	71	719	727
Sacred Heart Catholic Primary School, Hartlepool	1,063	137	40	231	1,471	-
St Bega's Catholic Primary School, Hartlepool	583	26	8	105	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 2021 £000	Total 2020 £000
St Chad's Catholic Primary School, Witton Park	246	54	13	40	353	-
St Joseph's Catholic Primary School, Hartlepool	276	42	22	83	423	-
St Teresa's Catholic Primary School, Hartlepool	654	88	27	149	918	-
St Cuthbert's Catholic Primary School, Hartlepool	490	55	16	94	655	-
St Cuthbert's Catholic Primary School, Stockton	351	29	9	73	462	-
St Patrick's Catholic Primary School, Stockton	378	57	20	67	522	-
Our Lady and St Thomas Catholic Primary School, Willington	75	22	1	11	109	-
St Charles' Catholic Primary School, Tudhoe	133	76	19	18	246	-
St Joseph's Catholic Primary School, Coundon	139	26	6	15	186	-
Bishop Hogarth Catholic Education Trust	3,232	719	2	1,556	5,509	3,414
Academy Trust	43,028	6,661	2,445	9,424	61,558	43,094

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	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

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	37,230	37,230
Current assets	6,041	5,908	695	12,644
Creditors due within one year	-	(1,663)	-	(1,663)
Creditors due in more than one year	-	(145)	-	(145)
Provisions for liabilities and charges	-	(24,743)	-	(24,743)
Total	6,041	(20,643)	37,925	23,323

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20. Reconciliation of net income to net cash flow from operating activities

	2021 £000	2020 £000
Net income for the year (as per Statement of Financial Activities)	2,226	20,739
Adjustments for:		
Depreciation	1,543	1,018
Dividends, interest and rents from investments	(4)	(32)
Capital grants from DfE and other capital income	(4,019)	(865)
Defined benefit pension scheme obligation inherited on conversion	5,442	2,478
Defined benefit pension scheme cost less contributions payable	2,648	1,375
Defined benefit pension scheme finance cost	451	274
Increase in debtors	(429)	(1,110)
Increase in creditors	1,588	216
Transfer from local authority on conversion	(3,405)	(462)
Acquisition of existing academy	-	(27,533)
Donation of fixed assets from Local Authority	(594)	(2,746)
Disposal of building	-	1,635
Defined benefit pension scheme transferred from existing academies	-	7,089
Assets at acquisition	-	(405)
Net cash provided by operating activities	5,447	1,671

21. Cash flows from financing activities

	2021 £000	2020 £000
Cash inflows from new borrowing	100	-
Repayments of borrowing	(164)	(8)
Net cash used in financing activities	(64)	(8)

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22. Cash flows from investing activities

	2021 £000	2020 £000
Dividends, interest and rents from investments	4	32
Purchase of tangible fixed assets	(2,691)	(4,770)
Capital grants from DfE Group	3,883	865
Capital funding received from sponsors and others	-	2,746
Cash transferred on conversion	1,303	328
Cash transferred on acquisition of academies	-	3,327
Net cash provided by investing activities	2,499	2,528

23. Analysis of cash and cash equivalents

	2021 £000	2020 £000
Cash in hand and at bank	18,661	10,779
Total cash and cash equivalents	18,661	10,779

24. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash at bank and in hand	10,779	7,882	18,661
Debt due within 1 year	(15)	-	(15)
Debt due after 1 year	(145)	64	(81)
	10,619	7,946	18,565

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25. Conversion to an academy trust

On 1 December 2020 Sacred Heart Catholic Primary School, Hartlepool and St Bega's 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 fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	195	195
Other tangible fixed assets	-	6	6
Current assets			
Cash - representing budget surplus on LA funds	246	18	264
Net assets	<u>246</u>	<u>219</u>	<u>465</u>

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25. Conversion to an academy trust (continued)

On 1 December 2020 St Chad's Catholic Primary School, Witton Park 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	-	310	310
Other tangible fixed assets	-	5	5
Current assets			
Cash - representing budget surplus on LA funds	98	4	102
Net assets	<u>98</u>	<u>319</u>	<u>417</u>

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25. Conversion to an academy trust (continued)

On 1 February 2021 St Joseph's Catholic Primary School, Hartlepool and St Teresa's 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 fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	334	334
Other tangible fixed assets	-	68	68
Current assets			
Cash - representing budget surplus on LA funds	407	24	431
Net assets	<u>407</u>	<u>426</u>	<u>833</u>

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25. Conversion to an academy trust (continued)

On 1 March 2021 St Cuthbert's 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 fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	140	140
Other tangible fixed assets	-	115	115
Current assets			
Cash - representing budget surplus on LA funds	113	4	117
Net assets	<u>113</u>	<u>259</u>	<u>372</u>

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25. Conversion to an academy trust (continued)

On 1 April 2021 St Cuthbert's Catholic Primary School, Stockton and St Patrick's Catholic Primary School, Stockton 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 Stockton-on-Tees 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 fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	249	249
Current assets			
Cash - representing budget surplus on LA funds	280	61	341
Net assets	<u>280</u>	<u>310</u>	<u>590</u>

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25. Conversion to an academy trust (continued)

On 1 June 2021 St Charles' Catholic Primary School, Tudhoe and St Joseph's Catholic Primary School, Coundon 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	-	229	229
Other tangible fixed assets	-	137	137
Current assets			
Cash - representing budget surplus on LA funds	195	33	228
Net assets	<u>195</u>	<u>399</u>	<u>594</u>

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25. Conversion to an academy trust (continued)

On 1 July 2021 Our Lady and St Thomas Catholic Primary School, Willington 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.

	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets		
Leasehold land and buildings	103	103
Other tangible fixed assets	16	16
Current assets		
Cash - representing budget surplus on LA funds	14	14
Net assets	133	133

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 2021 (2020 - £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 £5,869,000 (2020 - £4,004,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £2,324,000 (2020 - £1,509,000), of which employer's contributions totalled £1,811,000 (2020 - £1,143,000) and employees' contributions totalled £575,000 (2020 - £366,000). The agreed contribution rates for future years are 16.6-17.5% for employers and 5.5-12.5% for employees.

As described in note 25 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

	2021 %	2020 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30
Commutation of pensions to lump sums	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:

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

Teesside Pension Fund

	2021 %	2020 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumption (CPI)	2.60	2.30
Commutation of pensions to lump sums	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:

	2021 Years	2020 Years
Retiring today		
Males	21.9	21.8
Females	23.6	23.5
Retiring in 20 years		
Males	23.3	23.2
Females	25.4	25.3

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26. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(1,812)	(1,274)
Discount rate -0.1%	1,812	1,274
Mortality assumption - 1 year increase	(2,783)	(1,872)
Mortality assumption - 1 year decrease	2,817	1,924
CPI rate +0.1%	1,523	1,066
CPI rate -0.1%	(1,482)	(1,066)

Share of scheme assets

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

	2021 £000	2020 £000
Equities	29,311	17,422
Government bonds	2,669	2,956
Corporate bonds	2,979	1,818
Property	2,874	2,069
Cash and other liquid assets	2,811	2,333
Other	1,311	655

Total market value of assets

41,955 27,253

The actual return on scheme assets was £6,522,000 (2020 - £645,000).

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

	2021 £000	2020 £000
Current service cost	(4,411)	(2,518)
Interest income	535	398
Interest cost	(986)	(672)

Total amount recognised in the Statement of Financial Activities

(4,862) (2,792)

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26. Pension commitments (continued)

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

	2021 £000	2020 £000
At 1 September	51,996	25,017
Conversion of academy trusts	11,824	5,976
Transferred in on existing academies joining the trust	-	14,154
Current service cost	4,411	2,518
Interest cost	986	672
Employee contributions	561	366
Actuarial losses	4,866	3,898
Benefits paid	(526)	(605)
At 31 August	<u>74,118</u>	<u>51,996</u>

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

	2021 £000	2020 £000
At 1 September	27,253	15,141
Conversion of academy trusts	6,382	3,498
Transferred in on existing academies joining the trust	-	7,065
Interest income	535	398
Actuarial gains	5,987	247
Employer contributions	1,763	1,143
Employee contributions	561	366
Benefits paid	(526)	(605)
At 31 August	<u>41,955</u>	<u>27,253</u>

27. Operating lease commitments

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

	Academy Trust 2021 £000	Academy Trust 2020 £000
Amounts payable:		
Within one year	41	38
Between one and five years	24	40
	<u>65</u>	<u>78</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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

Expenditure Related Party Transactions

Diocese of Hexham and Newcastle - appoints the members.

The Academy Trust purchased Catholic education support services of £133,000 (2020: £54,000) during the period. At 31 August 2021 there was £23,000 due to the Diocese of Hexham and Newcastle (2020: £nil).

Youth Ministry Trust - a company in which M Matthews & M Regan are also directors.

The Academy Trust purchased event services of £1,000 (2020: £45,000) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil).

The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which M Matthews neither participated in, nor influenced.

For the following transactions ESFA approval was not requested as this is not considered to be required under the Charity Commission guidance in conjunction with the Academies Financial Handbook 2019 as there is no common control. However, for completeness, these have been included below.

St Cuthbert's Catholic High School - a trust in which Fr S Lerche is also a Director.

The Academy Trust purchased services of £nil (2020: £5,000) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil).

Schools North East - a charity in which M Regan is also a Director.

The Academy Trust purchased services of £12,000 (2020: £3,000) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil).

Nicholas Postgate Catholic Education Trust - a trust in which J Wilson is also a Director.

The Academy Trust purchased services of £nil (2020: £38,000) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil).

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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 2021 the Academy Trust received £949,000 (2020: £675,000) and disbursed £895,000 (2020: £683,000) from the fund. An amount of £59,000 is included in other creditors (2020: £5,000) 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 2021 the Academy Trust received £44,000 (2020: £34,000) and disbursed £21,000 (2020: £45,000) from the fund.

31. Teaching school trading account

	2021 £000	2021 £000	2020 £000	2020 £000
Income				
DIRECT INCOME				
Grant funding	45		57	
Other direct income	809		641	
	<hr/>		<hr/>	
Total direct income	854		698	
OTHER INCOME				
Other income	9		25	
Total income		863		723
Expenditure				
Direct expenditure				
Direct staff costs	167		166	
Other direct costs	485		435	
	<hr/>		<hr/>	
Total direct expenditure	652		601	
Other expenditure				
Other staff costs	24		64	
Other support costs	187		58	
	<hr/>		<hr/>	
Total other expenditure	211		122	
Total expenditure		863		723
		<hr/>		<hr/>
Surplus from all sources		-		-
Teaching school balances at 1 September 2020		-		-
		<hr/>		<hr/>
Teaching school balances at 31 August 2021		-		-
		<hr/> <hr/>		<hr/> <hr/>