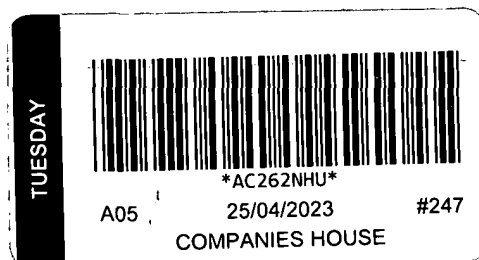


Company Registration Number: 09940352 (England & Wales)

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

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



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

CONTENTS

	Page
Reference and Administrative Details	1 - 3
Directors' Report	4 - 18
Governance Statement	19 - 23
Statement on Regularity, Propriety and Compliance	24
Statement of Directors' Responsibilities	25
Independent Auditors' Report on the Financial Statements	26 - 29
Independent Reporting Accountant's Report on Regularity	30 - 32
Statement of Financial Activities Incorporating Income and Expenditure Account	33 - 34
Balance Sheet	35 - 36
Statement of Cash Flows	37
Notes to the Financial Statements	38 - 83

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Bishop R J Byrne
D Fox
J Ledger (resigned 31 March 2022)
P Leighton
Rev. S Lerche

Directors

D J O'Mahoney, Chair^{1,3}
D W Chandler²
J Deighan²
Rev. A Dixon^{1,3}
C Emmerson¹
H Hardy²
D Kendall³
C McDonald (appointed 9 June 2022)¹
A M Shanks^{1,3}
C Zarraga (appointed 16 September 2022)³

- ¹ Finance Committee
- ² Audit Committee
- ³ Standards Committee

Company registered number

09940352

Company name

Bishop Chadwick Catholic Education Trust

Principal and registered office

Evolve Centre
Cygnet Way
Houghton Le Spring
DH4 5QY

Company secretary

A Harrison, (appointed 1 September 2022)
C Henderson, (resigned 31 August 2022)

2

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

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

Senior Leadership Team

T B Tapping, CEO/Executive Headteacher and Accounting Officer
M Graham, Acting Executive Headteacher, Our Lady of the Rosary Catholic Primary School and St Mary's Catholic Primary School, Jarrow
C Hammill, Acting Head of School, St Anthony's Girls' Catholic Academy
G Sanderson, Headteacher, St Aidan's Catholic Academy
P Mitchell, Headteacher, St Joseph's Catholic Academy
A Tumelty, Acting Headteacher, St Mary's Catholic Primary School, Jarrow
J Hill, Executive Headteacher, St Mary's Catholic Primary School, Wingate and St Godric's Catholic Primary School
D Dunn, Headteacher, St Leonard's Catholic Primary School, Silksworth
P Craig, Headteacher, St Joseph's Catholic Primary School, Jarrow
K Fenwick, Headteacher, St Aloysius Catholic Infant School and St Aloysius Catholic Junior School, Hebburn
F Craik, Headteacher, St Wilfrid's RC College and Acting Executive Headteacher of St Anthony's Girls' Catholic Academy
D Ritchie, Acting Head of School, St Wilfrid's RC College
F Cessford, Acting Head of School, St Bede's Catholic School and Byron Sixth Form College
C Devine, Acting Headteacher, St Bede's Catholic Primary School, South Shields
M Butt, Headteacher, Ss Peter & Paul Catholic Primary School, South Shields
N Noble, Headteacher, St Cuthbert's Catholic Primary School, Seaham
L Ashton, Executive Headteacher, Our Lady of Lourdes Catholic Primary School and St Joseph's Catholic Primary School, Blackhall
F Heslop, Headteacher, St James' Catholic Primary School, Hebburn
M Rooney, Headteacher, St Bede's Catholic Primary School, Jarrow
M Clephane, Headteacher, St Mary's Catholic Primary School, Sunderland
L Peart, Headteacher, St John Bosco's Catholic Primary School, Sunderland
S Brown, Headteacher, St Joseph's Catholic Primary School, Sunderland
P Cornell, Headteacher, English Martyrs' Catholic Primary School, Sunderland
D Woodhouse, Headteacher, St Oswald's Catholic Primary School, South Shields
J Ward, Headteacher, St Cuthbert's Catholic Primary School, Sunderland and Executive Headteacher of St Patrick's Catholic Primary School, Sunderland
E Alderson, Headteacher, St Matthew's Catholic Primary School, Jarrow
A Dunne, Headteacher, St Gregory's Catholic Primary School, South Shields
A Goodwin, Headteacher, St Mary Magdalen's Catholic Primary School, Seaham
E Harrison, Chief Operating Officer
M Hope, Chief Financial Officer
C Druey, Chief People Officer
N Conway, Senior School Improvement Lead

Independent auditors

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

Bankers

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

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

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

Solicitors

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

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

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

The academy trust operates 5 secondary and 25 primary academies in South Tyneside, Sunderland and Durham with 13 primary schools having transferred to the academy trust during the period of reference.

These 30 academies had a combined number on roll of 9,642 as per the Spring 2022 census.

Structure, governance and management

Constitution

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

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

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

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Directors

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

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

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

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

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

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

Structure, governance and management (continued)

Policies adopted for the induction and training of Directors

The training and induction provided for new Directors and Governors depends on their existing experience. New Directors are supported by experienced Directors. Where necessary induction and training is provided on educational, legal and financial matters. All new Directors receive the Academy Trust Handbook (the Academies Financial Handbook). The Trust is a member of the National Governance Association (NGA) which provides support to Directors and Governors.

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

Organisational structure

The Trust's management structure consists of:

- The Directors
- The Local Governing Committee for each individual academy
- The Trust Senior Leadership Team (as set out on page 2)
- The Senior Leadership Team of each individual academy.

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

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

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

Arrangements for setting pay and remuneration of key management personnel

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

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

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

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

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time £000

Total cost of facility time	29,294
Total pay bill	37,713,287
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

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

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

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

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

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

Structure, governance and management (continued)

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

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

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

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

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

Objectives and activities

Objects and aims

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

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

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

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

Objectives and activities (continued)

Objectives, strategies and activities

As a family of schools, inspired by Christ, we aim to enable each individual to fulfil their God given potential thus ensuring excellence for everyone through learning, respect, and partnership. All our schools strive for outstanding and seek to make a difference to all groups of children, supporting the vulnerable, disenfranchised and disengaged by removing multiple and complex barriers to enable them to succeed. Our schools work in partnership with our parishes and the communities we serve so that they become better places to live. We work with our pupils, staff, and their families to enable this philosophy to be lived out in everything we do.

To help deliver our vision, the Trust's Board has tasked the trust schools, together with the Central Services team to co-create a new Strategic Plan which will drive the Trust forward to 2025/26. Our Strategic pillars are as follows:

1. All Schools Striving to be Outstanding
2. Working Towards a greener, more sustainable future
3. Developing a Trust Culture, whilst maintaining the uniqueness of our family of schools
4. Developing our Workforce
5. Supporting the vulnerable, disenfranchised and disengaged by removing multiple and complex barriers to enable all to succeed
6. Supporting the health and wellbeing by reducing obesity and improving mental health and fortitude.

The overarching mission of our School Improvement Strategy, delivered through the Trust's mission is: Better Schools, Better Communities, Better Futures in Christ.

The academy trust's vision statement is as follows:

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

The values of our family of schools are:

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

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

Public benefit

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

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

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

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

Strategic report

Achievements and performance

The year has been a challenging period in terms of dealing with the aftereffects of the Covid-19 pandemic while working at pace to deliver our strategic priorities and rapidly grow by on-boarding new schools within our Trust.

Key achievements against the Trust's stated objectives during 2021/22 include:

- Considerable progress achieved in our secondary and primary school improvement journey, delivered through the work of our school leaders with the support of our school improvement team and in anticipation and readiness of forthcoming OFSTED / Catholic Schools Inspection inspections.
- Implementation of the Supporting Schools to Excel Policy, which challenges and supports all schools to strive for outstanding.
- Implementation of effective assessment in line with Trust Guiding Principles with a sharp focus on Purpose, Validity, Reliability and Value
- Developing a thorough understanding of adaptations to teaching to ensure we meet the individual needs of all.
- Developing, implementing, and embedding the Guiding Principles for Curriculum and Assessment, Quality Assurance, Attendance, Communication, language and Literary and (in 2022/23) Mathematics. We do this by embedding the effective use of recent and relevant research.
- We have co-created an exceptional Professional Development framework that enables all schools, staff, governors and pupils to be the best version of themselves.
- We have ensured that clear implementation plans are fully embedded across all activities for the vulnerable, disenfranchised and disengaged. We have undertaken a Trust wide evaluation of peer review to support our most vulnerable learners.
- We have clear, evidence-based strategies to improve reading and writing (EYFS-KS5+).
- Rigour of the Supporting Schools to Excel process and the challenge provided by the Standards committee e.g., meetings focused on one school.
- We have developed an exceptional, enhanced School Improvement offer.
- All Key Stages – collaboration and challenge between all schools.
- Development of clear guidance of attendance and safeguarding.
- Development and use of bespoke Data Dashboards.
- Development and enhancement to both our School Improvement Team's capacity to further improve our offer and support to all schools within our growing Trust.
- Delivery of a Trust procurement strategy.
- Continued embedding of our School Improvement Framework: Supporting Schools to Excel, linked to tiered support programmes and curriculum reviews.
- The roll out of our Trust wide and cloud-based HR system, bringing together in one place for the first-time access to key employee information.
- A consistent Head Teacher reporting and agenda setting framework.
- Further improvements in communication protocols to highlight across our communities the work of our pupils, the Trust, and its constituent schools.
- Continued activity and engagement through our Trust wide Curriculum Continuity programme – EYFS-KS5+.
- The delivery of continued capital and condition improvements to our estate.
- Harmonised HR policies and embedded the trust-wide Workload Charter Group.
- Celebrated the trust's inaugural annual awards event to celebrate the successes of individuals and teams across the trust.
- Catering for all our Trust schools is in house and is provided by Chadwick's kitchen. A key emphasis for our catering is sustainability and locally sourced high-quality ingredients to encourage healthy lifestyles for our children and staff.

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

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

Strategic report (continued)

Achievements and performance (continued)

Statutory Attainment Measures: KS5, KS4 and KS2

A-Level (KS5)

Due to the Covid Pandemic this year was the first time since 2019 that exams have been sat. A-level students sitting exams in the summer of 2022 experienced significant disruption to their learning particularly at the end of year 11 (2020) and in year 12 (2021) and instead of sitting their GCSE exams they were awarded Centre Assessed Grades (Teacher Assessed Grades were awarded for the 2021 GCSE students).

The following shows the initial headline results for all students and schools within Bishop Chadwick Catholic Education Trust who sat A level exams in the summer of 2022.

KS5 highlights:

- 6.54% were graded as A* (-7.96% v national)
- 26.24% were graded as A*-A (-9.66% v national)
- 78.2% achieved A*-C (-4.6% v national)
- Average Point Score (APS) 36.6
- Best 3 APS 40.32, average grade B (national 38.77, grade B)
- AAB (in 2 facilitating subjects) 35.93% (60 students) (national 32.59%)

GCSE (KS4)

The approach to headline measures and the awarding of results in 2022: there are a number of caveats and changes that apply to this year's results.

1. Due to the Covid Pandemic, this year was the first time since 2019 that GCSE exams have been sat. Students sitting exams experienced significant disruption to their learning particularly at the end of year 9 (2020) and in year 10 (2021).
2. To accommodate for the cancellation of exams in 2020 and 2021, grades were awarded via the different method of Centre or Teacher assessments. This change meant the usual moderation across all settings and subjects could not be made and overall, grades were inflated. The extent of this was greater in independent schools.
3. In recognition of the disruption experienced by students and to realign grades back to pre-pandemic norms, this year's grades were set to reflect a mid-point between those awarded in 2019 and 2021. They are therefore not a like for like representation of grades awarded by exam boards in 2019, Centre Assessed grades awarded in 2020 or Teacher Assessed grades awarded in 2021 and accurate comparisons cannot be made.

GCSE Analysis

The following shows the provisional GCSE results for all students and schools within Bishop Chadwick Catholic Education Trust who sat GCSE exams in the summer of 2022.

The % of grades awarded across all subjects for BCCET students are above national results:

- 29.93% were awarded grades 9-7 (national 26%)
- 68.80% were awarded grades 9-5 (national 58.10%)
- 83.01% awarded grades 9-4 (national 73%)

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

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

Strategic report (continued)

Achievements and performance (continued)

GCSE Analysis (continued)

The % of students achieving in both Maths and English are:

- 17.84% were awarded grades 9-7
- 57.52% were awarded grades 9 -5
- 77.43% were awarded grades 9 -4 3.
- BCCET Attainment 8 score is 54.62 (national 48.8).
- The total % of students entering Ebacc is 60.68% (national 38.8%).
- The Trust Ebacc APS is 4.88 (national 4.28).

End of Year 6 Attainment

These are the first key stage 2 attainment statistics since 2019, after assessments were cancelled in 2020 and 2021 due to the pandemic. These statistics cover the attainment of year 6 pupils who took assessments in summer 2022. These pupils experienced disruption to their learning during the pandemic, particularly at the end of year 4 and in year 5.

Trust results are summarised:

Attainment in	National			BCCET		
	2022	2019	2019 GDS	2022	2022 GDS	2019
Reading, Writing and Maths	59%	65%	TBC	64%	10%	71%
Reading	74%	73%	27%	81%	30%	81%
Writing (Teacher Assessed)	69%	78%	20%	80%	19%	84%
Maths	71%	79%	27%	80%	25%	85%
Grammar, punctuation and spelling	72%	78%	36%	80%	30%	TBC
Science (Teacher Assessed)	79%	83%	83%	87%	N/A	85%

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

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

Strategic report (continued)

Achievements and performance (continued)

The table below summarises the Ofsted and Catholic School inspection gradings across the trust:

School Name	Ofsted grading	Section 48 / CSI rating	Date of last Ofsted
Secondary:			
St. Aidan's Catholic Academy	Good	Outstanding	10-Jan-18
St. Anthony's Girls Catholic Academy	Outstanding	Outstanding	08-Mar-13
St. Bede's Catholic School and Byron Sixth Form College	Good	Outstanding	09-Feb-17
St. Joseph's Catholic Academy	Good	Outstanding	28-Sep-22
St. Wilfrid's RC College	Outstanding	Outstanding	04-Oct-18
Primary:			
English Martyrs Catholic Primary School, Sunderland	Good	Outstanding	14-Nov-17
Our Lady of Lourdes Catholic Primary, Shotton	Good	Good	26-Jun-19
Our Lady of the Rosary Catholic Primary School, Peterlee	Good	Good	17-Jan-19
Ss. Peter & Paul's Catholic Primary School, South Shields	Good	Good	22-Nov-17
St. Aloysius' Catholic Infant School, Hebburn	Outstanding	Outstanding	22-Jan-19
St. Aloysius' Catholic Junior School, Hebburn	Outstanding	Outstanding	15-Sep-21
St. Bede's Catholic Primary, Jarrow	Good	Good	15-Nov-17
St. Bede's Catholic Primary, South Shields	Outstanding	Outstanding	21-Mar-13
St. Cuthbert's Catholic Primary School, New Seaham	Good	Good	29-Jan-20
St. Cuthbert's Catholic Primary School, Grindon	Outstanding	Outstanding	16-May-13
St. Godric's Catholic Primary School, Thornley	Good	Good	13-Mar-19
St. Gregory's Catholic Primary School, South Shields	Outstanding	Outstanding	29-Feb-12
St. James' Catholic Primary School, Hebburn	Good	Outstanding	24-Jan-17
St. John Bosco Catholic Primary School, Town End Farm	Outstanding	Outstanding	16-Jun-11
St. Joseph's Catholic Primary School, Blackhall	Good	Good	09-Mar-17
St. Joseph's Catholic Primary School, Jarrow	Good	Outstanding	05-Oct-17
St. Joseph's Catholic Primary School, Millfield	Good	Outstanding	16-Oct-19
St. Leonard's Catholic Primary School, Silksworth	Good	Good	29-Jan-20
St. Mary Magdalen RC Primary School, Seaham	Good	Good	01-Nov-17
St. Mary's Catholic Primary School, Jarrow	Good	Outstanding	04-Oct-17
St. Mary's Catholic Primary School, Sunderland	Good	Good	22-Jun-18
St. Mary's Catholic Primary School, Wingate	Good	Good	17-Nov-16
St. Matthew's Catholic Primary School, Jarrow	Outstanding	Outstanding	06-Jul-12
St. Oswald's Catholic Primary School, South Shields	Good	Outstanding	22-Feb-18
St. Patrick's Catholic Primary School, Ryhope	Good	Good	05-Jun-19

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

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

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

Further to the operational KPIs set out above, financial KPIs are as below:

	2022	2021
GAG funding	£47,649,000	£32,500,00
Staff costs* as % of GAG	95%	98%
Staff costs* as % of income	75%	76%
Net current assets / income	£9,244,000	£6,576,000
Total reserves (excl pensions)	£18,918,000	£14,670,00

* as per note 10 less actuarial pension charge.

Going concern

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

Promoting the success of the company

The Board of Directors seeks to embed a culture of excellence. The 3-year strategic plan sets out the Trust's strategic objectives and the activities to be undertaken to allow the Trust to deliver on this ambitious plan.

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

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

The Trust is mindful of its many responsibilities:

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

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

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

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 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, the academy trust receives income from the DfE/ESFA for its activities as a Teaching School. During the year ended 31 August 2022, the academy trust received total income of £Nil (2021: £118,000) relating to this activity.

During the year ended 31 August 2022, total expenditure of £62,019,000 (2021: £41,399,000) was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £811,000 (2021: £2,068,000).

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

At 31 August 2022 the net book value of fixed assets was £10,526,000 (2021: £8,250,000) and movements in tangible fixed assets are shown in note 15 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The in-year surplus, excluding the pension reserve and restricted fixed asset funds was £1,968,000 (2021: £1,953,000).

The academy trust held fund balances at 31 August 2022 of £13,923,000 comprising restricted funds of £7,808,000 (including the pension deficit of £4,995,000, and unrestricted funds of £6,115,000. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as at 31 August 2022 was £6,334,000 (2021: £4,366,000).

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £4,995,000 recognised on the balance sheet.

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

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

Reserves policy

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

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

The minimum level of reserves for the ongoing needs of the academy trust is reviewed annually. The financial risks have been reviewed in terms of impact and likelihood as part of the strategic risk management process. The main financial risk to the academy trust is that of managing its short-term cash flow effectively. To mitigate this risk the Directors consider it prudent to hold unrestricted funds in the general fund in the form of free reserves (total funds less amount held in fixed assets and restricted funds) of £4,264,000. This equates to 8% of GAG and approximates one month's expenditure (both in terms of salaries and invoices).

The academy trust's current level of reserves is in surplus by £6,115,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy trust. It is noted however that there are budgetary pressures in 2022-23 and beyond due to unfunded pay awards for both teaching and support staff and therefore the updated 3-year plan indicates a reduction in reserves.

Given the growth in the academy trust the current policy is being reviewed to ensure it is still appropriate for the academy trust in its new structure. The level of reserves will be monitored throughout the year and any potential issues dealt with appropriately.

Investment policy

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

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

The academy trust maintains funds in a current account. In the year to 31 August 2022 there were no additional investments.

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

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

Principal risks and uncertainties

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

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

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

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

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

Fundraising

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

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

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

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

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

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period

	2022	2021
Energy consumption used to calculate emissions (kWh)	13,103,000	8,814,000
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	1,670,000	1,121,000
Owned transport	16,000	13,000
Total scope 1	<u>1,686,000</u>	<u>1,134,000</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>846,000</u>	<u>571,000</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>20,000</u>	<u>9,000</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>2,552,000</u>	<u>1,714,000</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>280</u>	<u>262</u>

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

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

Energy consumption was artificially low in the previous year due to periods of partial school closure. To improve energy efficiency, we have installed LED lighting across the estate during 2021 and 2022 with an approved investment of £0.7m.

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

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

Plans for future periods

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

The academy trust welcomed 13 academies during this financial year: Our Lady of Lourdes Catholic Primary School, St Joseph's Catholic Primary School, Blackhall, St James' Catholic Primary School, Hebburn, St Bede's Catholic Primary School, Jarrow, St Joseph's Catholic Primary School, Sunderland, English Martyrs' Catholic Primary School, Sunderland, St Oswald's Catholic Primary School, South Shields, St Cuthbert's Catholic Primary School, Sunderland, St Matthew's Catholic Primary School, Jarrow, St Gregory's Catholic Primary School, South Shields, St Mary Magdalen's Catholic Primary School, Seaham, St Mary's Catholic Primary School, Sunderland and St John Bosco Catholic Primary School, Sunderland.

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

In accordance with wider Diocesan plans, the academy trust expects a further 4 schools to join the Trust within the financial year ended 31 August 2023.

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Directors are aware:

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

The Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 12 December 2022 and signed on its behalf by:



D J O'Mahoney
Chair

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

GOVERNANCE STATEMENT

Scope of responsibility

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

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

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

Governance

In recognition of the importance of good governance across the Trust, to provide effective strategic leadership of governance and to ensure clarity around governance support, the post of Governance Manager was created. The postholder commenced on 1 September 2021 and an Assistant Governance Manager was appointed on 18 August 2022.

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Director has formally met 13 times during the year.

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

Director	Meetings attended	Out of a possible
D J O'Mahoney, Chair	10	13
D W Chandler	6	13
J Deighan	10	13
Rev. A Dixon	8	13
C Emmerson	3	13
H Hardy	4	13
D Kendall	6	13
C McDonald, (appointed 9 June 2022)	2	3
A M Shanks	8	13
C Zarraga, (appointed 16 September 2022)	0	0

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

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

Director	Meetings attended	Out of a possible
A M Shanks	5	5
D J O'Mahoney	5	5
Fr A Dixon	4	5
C Emmerson, Chair	5	5

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

Director	Meetings attended	Out of a possible
H Hardy	3	4
D W Chandler, Chair	4	4
D Kendall (appointed 22 February 2021)	2	3
J Deighan	2	4
C McDonald	1	1

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

Director	Meetings attended	Out of a possible
A M Shanks	7	7
D J O'Mahoney	6	7
Fr A Dixon	6	7
D Kendall	5	7

Governance review

The Board of Directors considered the National Governance Association's (NGA) Self-Evaluation Questions for MAT Boards in Autumn 2021. Following this, Directors were then asked to RAG rate where they believed the Board were against the actions identified in the initial consideration of this. These RAG ratings were compiled and the Board are due to meet in Autumn 2022 to agree actions to be taken against the Red and Red/Amber actions.

Conflicts of interest

All Directors re-submitted Declarations of Interest forms in Spring 2022. These are held by the Trust. Further, on every agenda for each meeting held, the first item after Apologies is Declaration of any new personal or business Interests and Declaration of any interest in any agenda item. Where a perceived or actual conflict of interest is identified, the Director to whom it relates must exit the meeting and must not take any part in the discussion of this agenda item.

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

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. Despite the challenges related to the Covid-19 pandemic, faced by remote working by both the Executive team and many suppliers, the accounting officer for the academy trust has delivered improved value for money during the year by reviewing and renegotiating trust-wide contracts including Agency Supply, Grounds Maintenance, support re developing the trust's Active Directory and the initial stage of the trust's Leadership Development programme.

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

Maximising income generation

The academy trust explores all opportunities to generate additional income including internal catering provision, the hire of all academy trust facilities, offering support to other schools and academies and the submission of appropriate grant applications. As of 31 August 2022, a number of organisations utilised the academy trust for lettings, including sports fields and sports halls.

Reviewing controls and managing risks

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

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bishop Chadwick Catholic Education Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

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

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Directors has appointed Azets (formerly Tait Walker LLP) as internal auditor.

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

- a review of financial planning and financial oversight procedures
- testing of purchases and payments
- testing of payroll transactions
- testing of the financial system access and segregation of duties.

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

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Directors on 12 December 2022 and signed on their behalf by:



D J O'Mahoney
Chair



T B Tapping
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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



T B Tapping
Accounting Officer
Date: 12 December 2022

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Directors on 12 December 2022 and signed on its behalf by:



D J O'Mahoney
Chair

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

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

Opinion

We have audited the financial statements of Bishop Chadwick Catholic Education Trust (the 'academy trust') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of noncompliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

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

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 CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

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.



Kevin Shotton BA BFP FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants

and Statutory Auditors

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

Date: 11/12/22

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

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

In accordance with the terms of our engagement letter dated 16 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bishop Chadwick Catholic Education Trust during the year 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Bishop Chadwick Catholic Education Trust's funding agreement with the Secretary of State for Education dated 28 January 2016 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self-assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- 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.

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Clive Owen LLP

Clive Owen LLP
Reporting Accountant

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date:

12/12/22

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

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

		Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
	Note					
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		2,048	(7,021)	464	(4,509)	(4,047)
Other donations and capital grants		28	-	2,287	2,315	1,754
Other trading activities	5	757	5	-	762	780
Investments	6	1	-	-	1	-
Charitable activities		1,828	55,543	-	57,371	39,497
Teaching schools		-	-	-	-	118
Total income		4,662	48,527	2,751	55,940	38,102
Expenditure on:						
Charitable activities	7,8	1,508	59,513	998	62,019	41,347
Teaching schools		-	-	-	-	52
Total expenditure		1,508	59,513	998	62,019	41,399
Net income/(expenditure)		3,154	(10,986)	1,753	(6,079)	(3,297)
Transfers between funds	20	-	(437)	437	-	-
Net movement in funds before other recognised gains/(losses)		3,154	(11,423)	2,190	(6,079)	(3,297)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	29	-	25,870	-	25,870	(193)
Net movement in funds		3,154	14,447	2,190	19,791	(3,490)

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

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

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Note					
Reconciliation of funds:					
Total funds brought forward	2,961	(19,223)	10,394	(5,868)	(2,378)
Net movement in funds	3,154	14,447	2,190	19,791	(3,490)
Total funds carried forward	6,115	(4,776)	12,584	13,923	(5,868)

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

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	15	10,526	8,250
		<u>10,526</u>	<u>8,250</u>
Current assets			
Stocks	16	153	90
Debtors	17	2,133	2,639
Cash at bank and in hand		12,097	6,318
		<u>14,383</u>	<u>9,047</u>
Creditors: amounts falling due within one year	18	(5,139)	(2,471)
Net current assets		<u>9,244</u>	<u>6,576</u>
Total assets less current liabilities		<u>19,770</u>	<u>14,826</u>
Creditors: amounts falling due after more than one year	19	(852)	(66)
Net assets excluding pension liability		<u>18,918</u>	<u>14,760</u>
Defined benefit pension scheme liability	29	(4,995)	(20,628)
Total net assets / (liabilities)		<u><u>13,923</u></u>	<u><u>(5,868)</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

	Note	2022 £000	2021 £000
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	20	12,584	10,394
Restricted income funds	20	219	1,405
		<hr/>	<hr/>
Restricted funds excluding pension asset	20	12,803	11,799
Pension reserve	20	(4,995)	(20,628)
		<hr/>	<hr/>
Total restricted funds	20	7,808	(8,829)
Unrestricted income funds	20	6,115	2,961
		<hr/>	<hr/>
Total funds		<u>13,923</u>	<u>(5,868)</u>

The financial statements on pages 33 to 83 were approved by the Directors, and authorised for issue on 12 December 2022 and are signed on their behalf, by:



D J O'Mahoney
Director

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	2,214	2,657
Cash flows from investing activities	24	693	487
Cash flows from financing activities	23	2,872	818
Change in cash and cash equivalents in the year		5,779	3,962
Cash and cash equivalents at the beginning of the year		6,318	2,356
Cash and cash equivalents at the end of the year	25, 26	<u>12,097</u>	<u>6,318</u>

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

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Fund accounting

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

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

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

1.3 Income

All incoming resources are recognised when the 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 CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

- **Other income**

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

- **Transfer on conversion**

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

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

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

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

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

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

1. Accounting policies (continued)

1.5 Going concern

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

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

1.6 Tangible fixed assets

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

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

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

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

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

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

1.7 Interest receivable

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

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

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

1. Accounting policies (continued)

1.8 Operating leases

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

1.9 Stocks

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

1.10 Liabilities and Provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 Taxation

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

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

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

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

1. Accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Intangible assets

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

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

Amortisation is provided on the following basis:

Computer software	- 33 % on cost
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BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.15 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 Our Lady of Lourdes Catholic Primary School, St Joseph's Catholic Primary School, Blackhall, St James' Catholic Primary School, Hebburn, St Bede's Catholic Primary School, Jarrow, St Joseph's Catholic Primary School, Sunderland, English Martyrs' Catholic Primary School, Sunderland, St Oswald's Catholic Primary School, South Shields, St Cuthbert's Catholic Primary School, Sunderland, St Matthew's Catholic Primary School, Jarrow, St Gregory's Catholic Primary School, South Shields, St Mary Magdalen's Catholic Primary School, Seaham, St Mary's Catholic Primary School, Sunderland and St John Bosco Catholic Primary School, Sunderland to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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

1.16 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 32.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

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

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

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

Goodwin

The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £41,826 which has been assessed to be immaterial to the financial statements.

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 £902,000.

Critical areas of judgment:

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

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

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

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

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

3. Income from donations and capital grants

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations					
Transfer from local authority on conversion	2,048	(7,021)	464	(4,509)	(4,047)
	<u>2,048</u>	<u>(7,021)</u>	<u>464</u>	<u>(4,509)</u>	<u>(4,047)</u>
Donations	28	-	-	28	237
Capital Grants	-	-	2,287	2,287	1,517
	<u>28</u>	<u>-</u>	<u>2,287</u>	<u>2,315</u>	<u>1,754</u>
Subtotal	<u>2,076</u>	<u>(7,021)</u>	<u>2,751</u>	<u>(2,194)</u>	<u>(2,293)</u>
	<u>583</u>	<u>(5,409)</u>	<u>2,533</u>	<u>(2,293)</u>	
Total 2021					

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

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

4. Funding for the academy trust's educational operations

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy's educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	47,649	47,649	32,500
Other DfE/ESFA grants				
Start Up Grants	-	175	175	275
Pupil Premium	-	2,403	2,403	1,499
PE and Sport Premium	-	333	333	108
UIFSM	-	489	489	210
Rates	-	187	187	186
Teachers' pay grant	-	78	78	391
Teachers' pension grant	-	221	221	1,358
Other DfE Group grants	-	1,230	1,230	433
	-	52,765	52,765	36,960
Other Government grants				
SEN	-	737	737	284
Early Years Funding	-	1,183	1,183	373
Local Authority grants	-	105	105	84
Other Government grants	-	160	160	59
	-	2,185	2,185	800
Other income from the academy trust's academy's educational operations	1,828	293	2,121	1,093
COVID-19 additional funding (DfE/ESFA)				
Catch-up Premium	-	-	-	465
Other DfE/ESFA COVID-19 funding	-	300	300	179
	-	300	300	644
	1,828	55,543	57,371	39,497
	1,828	55,543	57,371	39,497
Total 2021	882	38,615	39,497	

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

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

5. Income from other trading activities

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Rental and lettings income	17	-	17	8
Receipts from Supply Teacher Insurance claims	149	-	149	125
RPA Claims	-	-	-	11
Other	591	5	596	636
	<u>757</u>	<u>5</u>	<u>762</u>	<u>780</u>
Total 2021	<u>519</u>	<u>261</u>	<u>780</u>	

6. Investment income

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Bank Interest	<u>1</u>	<u>1</u>	<u>-</u>

7. Expenditure

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Academy's educational operations:					
Direct costs	40,565	-	3,684	44,249	30,516
Allocated support costs	7,704	4,181	5,885	17,770	10,831
Teaching school	-	-	-	-	52
	<u>48,269</u>	<u>4,181</u>	<u>9,569</u>	<u>62,019</u>	<u>41,399</u>
Total 2021	<u>33,296</u>	<u>2,354</u>	<u>5,749</u>	<u>41,399</u>	

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

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

7. Expenditure (continued)

In 2022, of the total expenditure, £1,508,000 (2021: £767,000) was to unrestricted funds, £59,513,000 (2021: £39,850,000) to restricted funds and £998,000 (2021: £782,000) to restricted fixed asset funds.

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

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

There were no ex-gratia payments in the year

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

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy's educational operations	44,249	17,770	62,019	41,347
Total 2021	30,516	10,831	41,347	

Analysis of direct costs.

	Total funds 2022 £000	Total funds 2021 £000
Staff costs	40,565	28,503
Educational supplies	681	254
Examination fees	458	431
Staff development	490	334
Technology costs	167	69
Educational consultancy	1,331	646
Supply insurance	170	112
Transport	365	152
Other costs	22	15
	<u>44,249</u>	<u>30,516</u>

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

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £000	Total funds 2021 £000
Net interest cost on pension scheme	413	265
Staff costs	7,704	4,741
Depreciation	902	782
Technology costs	795	488
Staff expenses	33	15
Maintenance of premises	1,301	480
Cleaning	526	327
Other premises costs	571	362
Energy	1,128	593
Rent and rates	207	205
Insurance	185	120
Operating lease rentals	71	108
Catering	1,541	800
Legal costs - conversion	200	30
Security Expense	32	19
Other costs	2,101	1,458
Governance costs	60	38
	<u>17,770</u>	<u>10,831</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	71	108
Depreciation of tangible fixed assets	902	782
Amortisation of intangible assets	-	6
Fees paid to auditors for:		
- audit	33	17
- other services	6	5
	<u>910</u>	<u>918</u>

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

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	32,309	23,440
Social security costs	3,381	2,440
Pension costs	10,015	6,662
	<u>45,705</u>	<u>32,542</u>
Agency staff costs	2,461	698
Staff restructuring costs	103	56
	<u>48,269</u>	<u>33,296</u>

Staff restructuring costs comprise:

	2022 £000	2021 £000
Redundancy payments	15	-
Severance payments	88	56
	<u>103</u>	<u>56</u>

Included in operating costs of defined pension schemes is a charge of £2,803,000 (2021 : £1,443,000) relating to the pension deficit actuarial adjustment. Also included is an accrual of £Nil (2021: £Nil) relating to pension costs.

b. Severance payments

The academy trust paid 11 severance payments in the year (2021 - 6), disclosed in the following bands:

	2022 No.	2021 No.
£0 - £25,000	10	6
£25,001 - £50,000	1	-

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £NIL (2021: £3,000). Individually, the payments were: NIL.

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

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

10. Staff (continued)

d. Staff numbers

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

	2022 No.	2021 No.
Teaching staff	544	382
Administration and support staff	628	398
Management staff	23	16
	<u>1,195</u>	<u>796</u>

e. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	18	14
In the band £70,001 - £80,000	11	9
In the band £80,001 - £90,000	4	3
In the band £90,001 - £100,000	2	2
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
In the band £120,001 - £130,000	-	1
In the band £180,001 - £190,000	1	1
	<u>1</u>	<u>1</u>

f. Key management personnel

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £2,657,000 (2021 : £1,824,000). The increase in key management personnel is due to the growth of the academy trust.

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

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

11. Central services

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

- Financial services
- HR services
- Legal support services
- IT support services
- Catering management services
- School improvement support
- Data Protection Officer services
- PR & comms

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

Based on flat 5% of GAG.

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

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

11. Central services (continued)

The actual amounts charged during the year were as follows:

	2022 £000	2021 £000
St Wilfrid's RC College	434	336
St Joseph's Catholic Academy	374	285
Our Lady of the Rosary Catholic Primary School	71	56
St Mary's Catholic Primary School	62	47
St Anthony's Girls' Catholic Academy	428	340
St Aidan's Catholic Academy	273	220
St Godric's Catholic School, Thornley	31	23
St Mary's Catholic Primary School, Wingate	25	16
St Aloysius Catholic Junior School Academy	63	38
St Aloysius Catholic Infant School, Hebburn	51	29
St Joseph's Catholic Primary School, Jarrow	56	32
St Leonard's Catholic Primary School, Silksworth	38	26
St Bede's Catholic School and Byron Sixth Form College	239	119
St Patrick's Catholic Primary School, Ryhope	39	13
St Bede's Catholic Primary School, South Shields	56	19
St Peter and Paul Catholic Primary School, South Shields	61	17
St Cuthbert's Catholic Primary School, Seaham	53	7
St James' Catholic Primary School, Hebburn	45	-
St Bede's Catholic Primary School, Jarrow	51	-
St Mary's Catholic Primary School, Sunderland	69	-
St John Bosco Catholic Primary School, Town End Farm, Sunderland	37	-
Our Lady of Lourdes Catholic Primary School, Shotton	47	-
St Joseph's Catholic Primary School, Blackhall	25	-
St Oswald's Catholic Primary School, South Shields	27	-
St Joseph's Catholic Primary School, Sunderland	32	-
English Martyrs' Catholic Primary School, Sunderland	31	-
St Gregory's Catholic Primary School, South Shields	24	-
St Matthew's Catholic Primary School, Jarrow	22	-
St Cuthbert's Catholic Primary School, Sunderland	27	-
St Mary Magdalen's Catholic Primary School, Seaham	13	-
Total	<u>2,804</u>	<u>1,623</u>

12. Directors' remuneration and expenses

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

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

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

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

13. Directors' and Officers' insurance

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

14. Intangible assets

	Software £000
Cost	
At 1 September 2021	7
	<hr/>
At 31 August 2022	7
	<hr/>
Amortisation	
At 1 September 2021	7
	<hr/>
At 31 August 2022	7
	<hr/>
Net book value	
At 31 August 2022	-
	<hr/> <hr/>
At 31 August 2021	-
	<hr/> <hr/>

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

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

15. Tangible fixed assets

	Leasehold land and buildings £000	Leasehold improve- ments £000	Furniture and equipment £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 September 2021	1,980	6,022	718	1,067	396	10,183
Additions	-	999	215	451	1,211	2,876
Acquired on conversion	302	-	-	-	-	302
At 31 August 2022	2,282	7,021	933	1,518	1,607	13,361
Depreciation						
At 1 September 2021	65	922	354	592	-	1,933
Charge for the year	20	338	208	336	-	902
At 31 August 2022	85	1,260	562	928	-	2,835
Net book value						
At 31 August 2022	2,197	5,761	371	590	1,607	10,526
At 31 August 2021	1,915	5,100	364	475	396	8,250

16. Stocks

	2022 £000	2021 £000
Educational materials stock	153	90

17. Debtors

	2022 £000	2021 £000
Trade debtors	61	35
Prepayments and accrued income	1,597	2,300
VAT repayable	475	304
	2,133	2,639

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

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

18. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Other loans	119	14
Trade creditors	415	85
Other taxation and social security	883	676
Other creditors	1,183	875
Accruals and deferred income	2,539	821
	<u>5,139</u>	<u>2,471</u>
	2022 £000	2021 £000
Deferred income at 1 September 2021	278	130
Resources deferred during the year	821	278
Amounts released from previous periods	(278)	(130)
	<u>821</u>	<u>278</u>

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

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

	2022 £000	2021 £000
Other loans	<u>852</u>	<u>66</u>

Other loans includes loans from Salix Finance Ltd of £971,000 (2021: £80,000) an interest free loan repayable through GAG over a 10 year period paid bi-annually.

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

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

20. Statement of funds

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
Unrestricted general funds	2,961	4,662	(1,508)	-	-	6,115
Restricted general funds						
General Annual Grant (GAG)	1,189	47,649	(48,282)	(437)	-	119
Conversion grants	150	175	(225)	-	-	100
Pupil Premium	-	2,403	(2,403)	-	-	-
Other DfE/ESFA grants	-	2,279	(2,279)	-	-	-
SEN	-	737	(737)	-	-	-
Other Government grants	-	1,707	(1,707)	-	-	-
COVID funding	-	300	(300)	-	-	-
Other income	-	293	(293)	-	-	-
Partnership fund / Staff recharge	-	5	(5)	-	-	-
Teaching school income	66	-	(66)	-	-	-
Pension reserve	(20,628)	(7,021)	(3,216)	-	25,870	(4,995)
	(19,223)	48,527	(59,513)	(437)	25,870	(4,776)
Restricted fixed asset funds						
Assets inherited on conversion	2,309	302	(88)	-	-	2,523
Devolved Formula Capital	714	450	(218)	-	-	946
Condition Improvement Fund	5,194	23	(244)	357	-	5,330

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

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

20. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Capital expenditure from GAG	587	-	(172)	437	-	852
Donations	102	-	(65)	-	-	37
School Condition Allocation	1,334	1,976	(145)	(357)	-	2,808
Assets donated from DfE	154	-	(66)	-	-	88
	<u>10,394</u>	<u>2,751</u>	<u>(998)</u>	<u>437</u>	<u>-</u>	<u>12,584</u>
Total Restricted funds	<u>(8,829)</u>	<u>51,278</u>	<u>(60,511)</u>	<u>-</u>	<u>25,870</u>	<u>7,808</u>
Total funds	<u>(5,868)</u>	<u>55,940</u>	<u>(62,019)</u>	<u>-</u>	<u>25,870</u>	<u>13,923</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 and related costs, overheads, repairs and maintenance, and insurance.

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

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

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, teachers' pension grant and sponsor capacity grant.

Other Government grants include Early Years funding for three and four year old children, funding for pupils with Special Educational Needs and other income from the local authority.

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

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

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

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is

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

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

20. Statement of funds (continued)

charged against each fund over the useful economic life of the associated assets.

A transfer of £437,000 has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
Unrestricted general funds	1,750	1,978	(767)	-	-	2,961
Restricted general funds						
General Annual Grant (GAG)	563	32,500	(31,759)	(115)	-	1,189
Conversion grants	100	275	(225)	-	-	150
Pupil Premium	-	1,499	(1,499)	-	-	-
Other DfE/ESFA grants	-	2,686	(2,686)	-	-	-
SEN	-	284	(284)	-	-	-
Other Government grants	-	516	(516)	-	-	-
COVID funding	-	644	(644)	-	-	-
Other income	-	211	(211)	-	-	-
Donations	-	6	(6)	-	-	-
Partnership fund / Staff recharge	-	261	(261)	-	-	-
Teaching school income	-	118	(52)	-	-	66
Pension reserve	(13,319)	(5,409)	(1,707)	-	(193)	(20,628)
	(12,656)	33,591	(39,850)	(115)	(193)	(19,223)

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

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

20. Statement of funds (continued)

**Restricted
fixed asset
funds**

Assets inherited on conversion	1,720	671	(82)	-	-	2,309
Devolved Formula Capital	594	321	(201)	-	-	714
Condition Improvement Fund	5,403	-	(209)	-	-	5,194
Capital expenditure from GAG	644	-	(172)	115	-	587
Capital expenditure from Pupil Premium	1	-	(1)	-	-	-
Donations	166	-	(64)	-	-	102
School Condition Allocation	-	1,336	(2)	-	-	1,334
Assets donated from DfE	-	205	(51)	-	-	154
	<u>8,528</u>	<u>2,533</u>	<u>(782)</u>	<u>115</u>	<u>-</u>	<u>10,394</u>
Total Restricted funds	<u>(4,128)</u>	<u>36,124</u>	<u>(40,632)</u>	<u>-</u>	<u>(193)</u>	<u>(8,829)</u>
Total funds	<u>(2,378)</u>	<u>38,102</u>	<u>(41,399)</u>	<u>-</u>	<u>(193)</u>	<u>(5,868)</u>

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
St Wilfrid's RC College	2,199	1,805
St Joseph's Catholic Academy	127	166
Our Lady of the Rosary Catholic Primary School	77	90
St Mary's Catholic Primary School	467	488
St Anthony's Girls' Catholic Academy	1,690	1,540
St Aidan's Catholic Academy	196	163
St Godric's Catholic School, Thornley	34	44
St Mary's Catholic Primary School, Wingate	(25)	23

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

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

20. Statement of funds (continued)

	2022 £000	2021 £000
St Aloysius Catholic Junior School Academy	195	137
St Aloysius Catholic Infant School, Hebburn	96	18
St Joseph's Catholic Primary School, Jarrow	76	40
St Leonard's Catholic Primary School, Silksworth	(41)	39
St Bede's Catholic School and Byron Sixth Form College	(938)	(328)
St Patrick's Catholic Primary School, Ryhope	71	97
St Bede's Catholic Primary School, South Shields	24	32
St Peter and Paul Catholic Primary School, South Shields	161	129
St Cuthbert's Catholic Primary School, Seaham	89	116
St James' Catholic Primary School, Hebburn	125	-
St Bede's Catholic Primary School, Jarrow	29	-
St Mary's Catholic Primary School, Sunderland	411	-
St John Bosco Catholic Primary School, Town End Farm, Sunderland	307	-
Our Lady of Lourdes Catholic Primary School, Shotton	194	-
St Joseph's Catholic Primary School, Blackhall	76	-
St Oswald's Catholic Primary School, South Shields	279	-
St Joseph's Catholic Primary School, Sunderland	9	-
English Martyrs' Catholic Primary School, Sunderland	205	-
St Gregory's Catholic Primary School, South Shields	146	-
St Matthew's Catholic Primary School, Jarrow	(38)	-
St Cuthbert's Catholic Primary School, Sunderland	232	-
St Mary Magdalen's Catholic Primary School, Seaham	240	-
Central services	(379)	(233)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	6,334	4,366
Restricted fixed asset fund	12,584	10,394
Pension reserve	(4,995)	(20,628)
	<hr/>	<hr/>
Total	13,923	(5,868)
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit £000
St Mary's Catholic Primary School, Wingate	(25)
St Leonard's Catholic Primary School, Silksworth	(41)
St Bede's Catholic School and Byron Sixth Form College	(938)
St Matthew's Catholic Primary School, Jarrow	(38)
Central services	(379)
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BISHOP CHADWICK CATHOLIC EDUCATION TRUST
(A Company Limited by Guarantee)

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

20. Statement of funds (continued)

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

St Mary's Catholic Primary School, Wingate - Significant school improvement activity and significant investment is ongoing at St Mary's in order to rapidly improve standing which should result in improved admissions and improved funding for the academy.

St Leonard's Catholic Primary School, Silksworth - Significant school improvement activity and significant investment has been incurred at St Leonard's to improve standards quickly and to re-establish the academy's standing within the local community. As a result of this investment (investment both of time and financially), admissions have increased significantly with in-year transfers in most year groups and therefore the school is confident in its ability to return to a surplus position during the medium-term financial plan.

St Bede's Catholic School and Byron Sixth Form College is experiencing a period of rapid growth in pupil numbers as a result of significantly improved standards and enhanced standing within the local community. The academy has been required to increase staffing levels to accommodate increased pupil numbers but lagged funding has resulted in a deficit during this period of rapid growth. The academy is expected to return to an in-year surplus in 2024-25, i.e. within the medium-term financial plan.

St Matthews's joined the trust on 1 April 2022 with a deficit on conversion of £43,000 and a deficit recovery plan in place, agreed previously by the local authority and local governing body prior to conversion. The school continues to operate within the parameters of this agreed deficit recovery plan with in-year surpluses forecast prior to the announcement of unfunded pay awards. Following the announcement of a settlement per the Chancellor's Autumn Statement, St Matthew's is expected to report in-year surpluses in 2023-24 and onwards which will eliminate the deficit over the course of the medium-term financial plan.

Central services - The deficit is as a result of the need to build capacity within the Central services function to support schools joining the academy trust as part of the Diocesan growth plan. The academy trust has grown from 17 schools at 1 September 2021 to 30 schools at 31 August 2022. The Central services function is funded via contributions from academies within the academy trust. As the academy trust grows, the Central Services contribution also grows and therefore based on the current central services offering, the Central service function will be able to report an in-year surplus as part of the medium-term financial plan.

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

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

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
St Wilfrid's RC College	5,414	621	88	1,496	7,619	6,968
St Joseph's Catholic Academy	4,807	611	140	1,437	6,995	6,446
Our Lady of the Rosary Catholic Primary School	1,135	181	18	219	1,553	1,414
St Mary's Catholic Primary School	899	219	41	283	1,442	1,220
St Anthony's Girls' Catholic Academy	5,553	773	35	1,239	7,600	7,551
St Aidan's Catholic Academy	3,331	651	113	854	4,949	4,602
St Godric's Catholic School, Thornley	417	60	13	107	597	601
St Mary's Catholic Primary School, Wingate	319	103	8	103	533	430
St Aloysius Catholic Junior School Academy	706	144	34	281	1,165	812
St Aloysius Catholic Infant School, Hebburn	778	204	-	156	1,138	874
St Joseph's Catholic Primary School, Jarrow	778	167	18	227	1,190	855
St Leonard's Catholic Primary School, Silksworth	543	166	2	154	865	603

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

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

20. Statement of funds (continued)

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
St Bede's Catholic School and Byron Sixth Form College	3,451	431	26	1,503	5,411	3,293
St Patrick's Catholic Primary School, Ryhope	483	112	3	152	750	263
St Bede's Catholic Primary School, South Shields	725	230	14	259	1,228	446
St Peter and Paul Catholic Primary School, South Shields	817	159	17	271	1,264	375
St Cuthbert's Catholic Primary School, Seaham	708	145	9	207	1,069	144
St James' Catholic Primary School, Hebburn	692	119	13	218	1,042	3,720
St Bede's Catholic Primary School, Jarrow	745	154	10	154	1,063	-
St Mary's Catholic Primary School, Sunderland	901	222	16	313	1,452	-
St John Bosco Catholic Primary School, Town End Farm, Sunderland	418	189	5	150	762	-
Our Lady of Lourdes Catholic Primary School, Shotton	566	121	15	131	833	-
St Joseph's Catholic Primary School, Blackhall	353	69	10	94	526	-

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

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

20. Statement of funds (continued)

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
St Oswald's Catholic Primary School, South Shields	408	118	12	105	643	-
St Joseph's Catholic Primary School, Sunderland	453	129	4	130	716	-
English Martyrs' Catholic Primary School, Sunderland	428	76	10	145	659	-
St Gregory's Catholic Primary School, South Shields	236	63	1	62	362	-
St Matthew's Catholic Primary School, Jarrow	330	42	7	86	465	-
St Cuthbert's Catholic Primary School, Sunderland	327	73	1	98	499	-
St Mary Magdalen's Catholic Primary School, Seaham	165	40	-	19	224	-
Central services	3,915	1,072	-	1,516	6,503	-
Academy trust	40,801	7,464	683	12,169	61,117	40,617

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

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

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	10,526	10,526
Current assets	6,115	6,210	2,058	14,383
Creditors due within one year	6	(5,145)	-	(5,139)
Creditors due in more than one year	(6)	(846)	-	(852)
Provisions for liabilities and charges	-	(4,995)	-	(4,995)
Total	6,115	(4,776)	12,584	13,923

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	8,250	8,250
Current assets	2,983	3,920	2,144	9,047
Creditors due within one year	(22)	(2,449)	-	(2,471)
Creditors due in more than one year	-	(66)	-	(66)
Provisions for liabilities and charges	-	(20,628)	-	(20,628)
Total	2,961	(19,223)	10,394	(5,868)

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

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

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

	2022 £000	2021 £000
Net expenditure for the year (as per Statement of Financial Activities)	(6,079)	(3,297)
Adjustments for:		
Amortisation	-	6
Depreciation	902	776
Capital grants from DfE and other capital income	(2,449)	(1,748)
Defined benefit pension scheme obligation inherited	7,021	5,409
Defined benefit pension scheme cost less contributions payable	2,803	1,442
Defined benefit pension scheme finance cost	413	265
(Increase) in stocks	(63)	(34)
(Increase) in debtors	(547)	(275)
Increase in creditors	2,563	1,475
Assets inherited on conversion	(2,350)	(1,362)
Net cash provided by operating activities	2,214	2,657

23. Cash flows from financing activities

	2022 £000	2021 £000
Cash inflows from new borrowing	895	80
Repayments of loans	(4)	-
Cash inherited on conversion	1,981	738
Net cash provided by financing activities	2,872	818

24. Cash flows from investing activities

	2022 £000	2021 £000
Purchase of intangible assets	(23)	-
Purchase of tangible fixed assets	(2,876)	(1,918)
Capital grants from DfE Group	3,592	2,405
Net cash provided by investing activities	693	487

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

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

25. Analysis of cash and cash equivalents

	2022 £000	2021 £000
Cash in hand and at bank	12,097	6,318
Total cash and cash equivalents	12,097	6,318

26. Analysis of changes in net debt

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	6,318	5,779	12,097
Debt due within 1 year	(14)	(105)	(119)
Debt due after 1 year	(66)	(786)	(852)
	6,238	4,888	11,126

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

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

27. Conversion to an academy trust

On 1 October 2021 Our Lady of Lourdes, Shotton and St Joseph's, Blackhall converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from Durham County Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	54	54
Current assets			
Cash - representing budget surplus on LA funds	207	-	207
Cash - representing unspent DFC on conversion	-	7	7
Net assets	<u>207</u>	<u>61</u>	<u>268</u>

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

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

27. Conversion to an academy trust (continued)

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

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	35	35
Current assets			
Cash - representing budget surplus on LA funds	134	-	134
Cash - representing unspent DFC on conversion	-	31	31
Net assets	<u>134</u>	<u>66</u>	<u>200</u>

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

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

27. Conversion to an academy trust (continued)

On 1 January 2022 St Mary's Catholic Primary, Sunderland and St John Bosco, Sunderland converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from Sunderland City Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	66	66
Current assets			
Cash - representing budget surplus on LA funds	707	-	707
Cash - representing unspent DFC on conversion	-	19	19
Net assets	<u>707</u>	<u>85</u>	<u>792</u>

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

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

27. Conversion to an academy trust (continued)

On 1 February 2022 St Oswald's, South Shields converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from South Tyneside Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	15	15
Current assets			
Cash - representing budget surplus on LA funds	235	-	235
Cash - representing unspent DFC on conversion	-	34	34
Net assets	<u>235</u>	<u>49</u>	<u>284</u>

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

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

27. Conversion to an academy trust (continued)

On 1 February 2022 St Joseph's, Sunderland and English Martyrs', Sunderland converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from Sunderland City Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	25	25
Current assets			
Cash - representing budget surplus on LA funds	241	-	241
Cash - representing unspent DFC on conversion	-	22	22
Net assets	<u>241</u>	<u>47</u>	<u>288</u>

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

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

27. Conversion to an academy trust (continued)

On 1 April 2022 St Matthew's, Jarrow and St Gregory's, South Shields converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from South Tyneside Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	44	44
Current assets			
Cash - representing budget surplus on LA funds	47	-	47
Cash - representing unspent DFC on conversion	-	10	10
Net assets	<u>47</u>	<u>54</u>	<u>101</u>

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

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

27. Conversion to an academy trust (continued)

On 1 April 2022 St Cuthbert's, Sunderland converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from Sunderland City Council for £NIL consideration.

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

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

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	63	63
Current assets			
Cash - representing budget surplus on LA funds	218	-	218
Cash - representing unspent DFC on conversion	-	22	22
Net assets	<u>218</u>	<u>85</u>	<u>303</u>

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

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

27. Conversion to an academy trust (continued)

On 1 July 2022 St Mary Magdalen's, Seaham converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Bishop Chadwick Catholic Education Trust from Durham County Council for £NIL consideration.

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

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

	Unrestricted funds £000	Total funds £000
Current assets		
Cash - representing budget surplus on LA funds	255	255
	<hr/>	<hr/>
Net assets	255	255
	<hr/>	<hr/>

28. Capital commitments

	2022 £000	2021 £000
Contracted for but not provided in these financial statements		
Purchase, construction or development of leasehold improvements	87	1,321
	<hr/>	<hr/>

29. Pension commitments

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

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

Contributions amounting to £896,000 were payable to the schemes at 31 August 2022 (2021 - £686,000) and are included within creditors.

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

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

29. Pension commitments (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £5,397,000 (2021 - £4,119,000).

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.

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

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

29. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £2,319,000 (2021 - £1,394,000), of which employer's contributions totalled £1,815,000 (2021 - £1,086,000) and employees' contributions totalled £ 504,000 (2021 - £308,000). The agreed contribution rates for future years are 20.7 - 25.7 % for employers and 5.5 - 9.9 % for employees.

As described in note 29 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.

Principal actuarial assumptions

Tyne and Wear Pension Fund

	2022 %	2021 %
Rate of increase in salaries	4.20	4.10
Rate of increase for pensions in payment/inflation	2.70	2.60
Discount rate for scheme liabilities	4.10	1.70
Inflation assumption (CPI)	2.70	2.60
Commutation of pensions to lump sums	75.00	75.00

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

	2022 Years	2021 Years
Retiring today		
Males	21.8	21.9
Females	25.0	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	26.7	26.9

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

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

29. Pension commitments (continued)

Durham County Council Pension Fund

	2022 %	2021 %
Rate of increase in salaries	3.80	3.70
Rate of increase for pensions in payment/inflation	2.80	2.70
Discount rate for scheme liabilities	4.10	1.70
Inflation assumption (CPI)	2.80	2.70
Commutation of pensions to lump sums	80.00	80.00

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

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

Sensitivity analysis

Tyne & Wear Pension Fund

	2022 £000	2021 £000
Discount rate +0.1%	(967)	(1,086)
Discount rate -0.1%	1,009	1,133
Mortality assumption - 1 year increase	(1,178)	(1,741)
Mortality assumption - 1 year decrease	1,178	1,741
CPI rate +0.1%	759	891
CPI rate -0.1%	(759)	(852)

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

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

29. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	19,857	14,602
Corporate bonds	6,170	5,175
Government bonds	1,055	990
Property	3,959	2,038
Cash	644	1,061
Other	5,146	2,338
Total market value of assets	<u>36,831</u>	<u>26,204</u>

The actual return on scheme assets was £332,000 (2021 - £2,783,000).

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

	2022 £000	2021 £000
Current service cost	(4,618)	(2,528)
Interest income	549	347
Interest cost	(962)	(612)
Total amount recognised in the Statement of Financial Activities	<u>(5,031)</u>	<u>(2,793)</u>

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

	2022 £000	2021 £000
At 1 September	46,832	30,556
Conversion of academy trusts	15,743	10,414
Current service cost	4,618	2,528
Interest cost	962	612
Employee contributions	504	308
Actuarial (gains)/losses	(26,087)	3,031
Benefits paid	(746)	(617)
At 31 August	<u>41,826</u>	<u>46,832</u>

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

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

29. Pension commitments (continued)

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

	2022 £000	2021 £000
At 1 September	26,204	17,237
Conversion of academy trusts	8,722	5,005
Expected return on assets	549	347
Actuarial (losses)/gains	(217)	2,838
Employer contributions	1,815	1,086
Employee contributions	504	308
Benefits paid	(746)	(617)
At 31 August	<u>36,831</u>	<u>26,204</u>

30. Operating lease commitments

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

	2022 £000	2021 £000
AMOUNTS PAYABLE:		
Within one year	85	71
Between one and five years	84	44
	<u>169</u>	<u>115</u>

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

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

31. Related party transactions

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

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

- The academy trust paid £83,856 (2021 : £50,000) for Catholic educational supplies. There were £2,700 amounts outstanding at 31 August 2022 (2021 : £Nil).
- The academy trust received income totalling £183,968 (2021 : £Nil) for recharges of costs relating to staffing, leadership and resources.
- In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

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

- The academy trust received income totalling £Nil (2021 : £13,000) for recharges of costs relating to staffing, leadership and resources. There were £Nil amounts outstanding at 31 August 2022 (2021: £Nil).
- In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

Income related party transactions

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

- The academy trust received income totalling £Nil (2021 : £52,000) for recharges of costs relating to staffing, leadership and resources. There were £Nil amounts outstanding at 31 August 2022 (2021: £Nil).
- In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

32. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the trust received £92,000 (2021: £22,000) and disbursed £24,000 (2021: £32,000) from the fund. An amount of £169,000 (2021: £101,000) is included in other creditors relating to undistributed funds.