

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 2023

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

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BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Bishop R J Byrne (resigned 12 December 2022)
Bishop S Wright (appointed 14 June 2023)
D Fox
P Leighton
Rev. S Lerche

Directors

D J O'Mahoney, Chair^{1,3}
D W Chandler²
J Deighan (resigned 17 July 2023)²
Rev. A Dixon^{1,3}
C Emmerson¹
H Hardy²
A D Haslam (appointed 2 November 2023)
D Kendall³
C McDonald (resigned 25 March 2023)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, (resigned 21 February 2023)
S Hendey (appointed 22 February 2023, resigned 16 April 2023)
L Kerrigan (appointed 17 April 2023)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Senior Leadership Team

T B Tapping, CEO and Accounting Officer
G Sanderson, Senior School Improvement Lead and Strategic Board Member, Headteacher of St Aidan's Catholic Academy and Executive Headteacher of St Anthony's Girls' Catholic Academy (from May 2023)
F Craik, Senior School Improvement Lead and Strategic Board Member, Headteacher of St Wilfrid's RC College and Executive Headteacher of St Anthony's Girls' Catholic Academy (until May 2023)
M Graham, Executive Headteacher of Our Lady of the Rosary Catholic Primary School and St Mary's Catholic Primary School and Acting Executive Headteacher of St Joseph's Catholic Primary School, Sunderland (from January 2023)
J Ward, Executive Headteacher of St Patrick's Catholic Primary School, Sunderland and St Cuthbert's Catholic Primary School, Sunderland
J Hill, Executive Headteacher of St Godric's Catholic School, Thornley and St Mary's Catholic Primary School, Wingate
L Ashton, Executive Headteacher of Our Lady of Lourdes Catholic Primary School and St Joseph's Catholic Primary School, Blackhall
K Fenwick School Improvement Lead and Strategic Board Member and Executive Headteacher of St Aloysius Catholic Infant School (until April 2023)
C Godfrey, Executive Headteacher of St Aloysius Catholic Infant School and St Aloysius Catholic Junior School (from April 2023)
P Mitchell, Headteacher – St Joseph's Catholic Academy
P Craig, Headteacher - St Joseph's Catholic Primary School, Jarrow
D Dunn, Headteacher – St Leonard's Catholic Primary School, Silksworth
F Cessford, Headteacher – St Bede's Catholic School and Byron Sixth Form College
C Devine, Headteacher – St Bede's Catholic Primary School, South Shields
M Butt, Headteacher – St Peter & Paul Catholic Primary School, South Shields
N Noble, Headteacher – St Cuthbert's Catholic Primary School, Seaham
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 Catholic Primary School, Town End Farm, Sunderland
D Woodhouse, Headteacher – St Oswald's Catholic Primary School, South Shields
P Cornell, Headteacher – English Martyrs' Catholic Primary School, Sunderland
A Dunne, Headteacher – St Gregory's Catholic Primary School, South Shields
E Alderson, Headteacher – St Matthew's Catholic Primary School, Jarrow
A Goodwin, Headteacher – St Mary Magdalen's Catholic Primary School, Seaham
S Brown, Headteacher – St Joseph's Catholic Primary School, Sunderland (until December 2022)
D Ritchie, Acting Head of School – St Wilfrid's RC College
C Hammill, Acting Head of School – St Anthony's Girls' Catholic Academy (until May 2023)
M Lanaghan, Acting Head of School – St Anthony's Girls' Catholic Academy (from May 2023)
A Toward, Acting Head of School – St Joseph's Catholic Primary School, Sunderland (from January 2023)
J Jopling, Acting Head of School – St Patrick's Catholic Primary School, Sunderland
A Steele, Acting Head of School – St Cuthbert's Catholic Primary School, Sunderland
J Broadhurst, Acting Head of School – St Aloysius Catholic Infant School, Hebburn
L Barker, School Improvement Lead and Strategic Board Member
N Conway, Senior School Improvement Lead (until April 2023) and Strategic Board Member (until April 2023)
N Park, Senior School Improvement Lead and Strategic Board Member (until April 2023)
E Harrison, Chief Operating Officer (until August 2023) and Strategic Board Member (until August 2023)
M Hope, Chief Financial Officer and Strategic Board Member
C Druery, Chief People Officer and Strategic Board Member
D Mollon, Executive Assistant and Strategic Board Member

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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

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
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2022 to 31 August 2023. 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.

These 30 academies had a combined number on roll of 10,991 as per the Spring 2023 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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 Trust Strategic Board
- 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 had an interim advisory board in place during the academic year 2022-23 to support the senior leadership team within the academy to aid school improvement. These academies now operate a Local Governing Committee.

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.

The Trust established a Strategic Board during the year ended 31 August 2023 with the aim of;

- Systematic, diagnostic review of progress towards the achievement of the Trust Mission, Vision and Values
- Strategically directing Headteacher board and Central Team discussions, ensuring they align with the Trust strategic plan and address emerging priorities Facilitating evaluation of progress towards meeting Trust Key Performance
- Indicators and the delivery of the priorities identified in the Trust Strategic Plan to the board; identifying next steps that will help us achieve our collective objectives Identifying and deploying targeted support where there is a risk that KPIs may not be met.
- Consider the implications of decisions on workload and wellbeing Identify and discuss emerging issues for the Trust and the wider education landscape

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

Arrangements for setting pay and remuneration of key management personnel

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

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

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	24
Total pay bill	50,090
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	17 %
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Related parties and other connected charities and organisations

Whilst not formally connected, as the Trust has been established by the Diocese of Hexham & Newcastle, the executive team and staff of the Trust work closely with staff at the other 3 multi-academy trusts established by the Diocese, being Bishop Bewick Catholic Education Trust, Bishop Hogarth Catholic Education Trust and Bishop Wilkinson Catholic Education Trust.

The Trust has established a subsidiary entity, Bishop Chadwick Commercial Services Limited during the year ended 31 August 2023. This entity is not yet trading.

Engagement with employees (including disabled persons)

The Trusts 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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

Related parties and other connected charities and organisations (continued)

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.

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, Chief Financial 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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Objectives, strategies and activities

As a family of schools, inspired by Christ, we aim to enable each individual to fulfill 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 has developed and is implementing a Strategic Plan which will drive the Trust forward to 2025/26. Our Strategic pillars are as follows:

- All Schools Striving to be Outstanding
- Working Towards a greener, more sustainable future
- Developing a Trust Culture, whilst maintaining the uniqueness of our family of schools
- Developing our Workforce
- Supporting the vulnerable, disenfranchised and disengaged by removing multiple and complex barriers to enable all to succeed
- 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 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 Trust development plan.

Public benefit

The 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 Trust should undertake.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Strategic report

Achievements and performance

Key achievements against the Trust's stated objectives during 2022/23 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. As a result, all schools are presently judged good or outstanding in Ofsted and Catholic School Inspections
- Implementation of effective assessment in line with Trust Guiding Principles with a sharp focus on Purpose, Validity, Reliability and Value
- Implementation of the Guiding Principles for Curriculum and Assessment, Quality Assurance, Attendance, Teacher Assistant, Communication and (in 2023/24) Mathematics/Calculation Policy.
- 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 as part of an organisational design process.
- Development and use of Strategic Portal and bespoke Data Dashboards.
- 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 Headteacher 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+.
- Mental Health first aid staff have been skillfully trained and deployed across the whole Trust
- We have engaged in a Trust wide research into character education to enhance personal development for all pupils (EYFS-KS5)

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

- We have developed and refined our Trust Leadership Behaviours in collaboration with Hult Ashridge in anticipation of full roll out in the following academic year.
- Our in-house Teacher Training SCITT programme has successfully recruited both primary and secondary trainees

Statutory Attainment Measures: KS5, KS4 and KS2

This year saw Key Stage 4 and Key Stage 5 grade boundaries return to pre pandemic levels with outcomes set in line with those achieved in 2019. Whilst comparisons to 2019 can be made at an overall level some subjects were deemed to have been graded more harshly than in 2019 and some slightly more leniently. It should also be acknowledged that whilst grades were reset to pre pandemic levels, students sitting exams this year, in particular those in Key Stage 5, arguably had the greatest disruption to their education, with prolonged periods of absence during critical years of their education.

The following shows the headline results for all students and schools within the Bishop Chadwick Catholic Education Trust who sat A level, GCSE or KS2 Statutory Assessments in the summer of 2023:

Key Stage 5 (A Levels) highlights

4.65% were graded A* (national 8.6%)
18.04% were graded A*-A (national 26.5%)
67.87% achieved A*-C (national 75.4%)

Average Point Score (APS) 32.19
Best 3 APS 33.85
Average grade B-

AAB (in 2 facilitating subjects) 21.74% (v national 32.59%)

Key Stage 4 (GCSEs) highlights

20.6% were awarded grades 9-7 (national 22.4%)
56.71% were awarded grades 9-5 (national 54.4%)
74.2% were awarded grades 9-4 (national 70.3%)

Progress 8 -0.02 (national -0.03)
Attainment 8 49.02 (national 46.3)

% students entering EBacc 58.55% (national 39.43%)
EBacc APS 4.33 (national 4.06)

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Key Stage 2 (Statutory assessments) highlights

Attainment	National				BCCET				
	2023	2022	2019	2019 GDS	2023	2023 GDS	2022	2022 GDS	2019
Reading, Writing, Maths	59%	59%	65%	TBC	71%	11%	64%	10%	71%
Reading	73%	74%	73%	27%	85%	37%	81%	30%	81%
Writing (Teacher Assessed)	71%	69%	78%	20%	81%	23%	80%	19%	84%
Maths	73%	71%	79%	27%	85%	26%	80%	25%	85%
Grammar, punctuation, spelling	72%	72%	78%	36%	83%	36%	80%	30%	TBC
Science (Teacher Assessed)	80%	79%	83%	83%	87%	N/A	87%	N/A	85%

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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	CSI rating	Date of last Ofsted
Secondary:			
St. Aidan's Catholic Academy	Good	Outstanding	08-Jun-23
St. Anthony's Girls Catholic Academy	Good	Outstanding	25-Jan-23
St. Bede's Catholic School and Byron Sixth Form College	Good	Good	14-Jun-23
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	26-Apr-23
Ss. Peter & Paul's Catholic Primary School, South Shields	Good	Good	22-Nov-17
St. Aloysius' Catholic Infant School, Hebburn	Outstanding	Outstanding	23-Jan-19
St. Aloysius' Catholic Junior School, Hebburn	Outstanding	Outstanding	16-Nov-22
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	14-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	24-Nov-22
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

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

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

	2023	2022
GAG funding	£54,872,000	£47,649,000
Staff costs* as % of GAG	98%	99%
Staff costs* as % of income	78%	86%
Net current assets / income	£7,694,000	£9,244,000
Total reserves (excl pensions)	£18,162,000	£18,918,000

* 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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 2023 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.

During the year ended 31 August 2023, total expenditure of £73,627,000 (2022: £62,019,000) 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 £3,200,000 (2022: £811,000).

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

At 31 August 2023 the net book value of fixed assets was £11,188,000 (2022: £10,526,000) and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The in-year deficit, excluding the pension reserve and restricted fixed asset funds was £2,896,000 (2022: £1,968,000).

The academy trust held fund balances at 31 August 2023 of £16,807,000 comprising restricted funds of £13,478,000 (including the pension deficit of £1,355,000, and unrestricted funds of £3,329,000. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as at 31 August 2023 was £3,438,000 (2022: £6,334,000).

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in no asset or liability being recognised on the balance sheet.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 £4,390,000. 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 are £3,438,000 and therefore are considered to be below the level of reserves required for the ongoing needs of the academy trust. It is noted however that there are budgetary pressures in 2023-24 and beyond due to partly unfunded pay awards for both teaching and support staff and therefore the updated 3-year plan indicates a further reduction in reserves.

Given the recent rapid growth of the Trust the current reserves 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 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 Trust maintains funds in a current account, instant access account and 6-month deposit accounts. In the year to 31 August 2023 there were no additional investments.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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

A recently identified significant risk relates to the presence of Reinforced autoclaved aerated concrete ("RAAC") in 3 of the trust's schools which has resulted in partial/full school closures whilst alternative arrangements were made for the face-to-face schooling of pupils attending these affected schools. Work remains ongoing to ascertain the extent of the problem at each school and any mitigating actions required.

Teacher retention and recruitment continues to pose risk to the organization and wider sector. The Trust is developing its People Strategy to ensure that the trust remains an attractive employer.

The Directors have assessed the major risks, to which the Trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the 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 Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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

Fundraising

The 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 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 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 2023

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period

	2023	2022
Energy consumption used to calculate emissions (kWh)	13,030,000	13,103,000
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	1,735,000	1,670,000
Owned transport	18,000	16,000
Total scope 1	<u>1,753,000</u>	<u>1,686,000</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>756,000</u>	<u>846,000</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>25,000</u>	<u>20,000</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>2,534,000</u>	<u>2,552,000</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>237</u>	<u>280</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.

Plans for future periods

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

In accordance with wider Diocesan plans. The Trust expects a further 4 schools to join the Trust within the financial year ended 31 August 2024.

Funds held as custodian on behalf of others

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

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

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 18 December 2023 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 Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Directors has delegated the day-to-day responsibility to the 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 Directors 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 and has been occupied since 1 September 2021. The post of Assistant Governance manager was created and appointed to in 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 Directors has formally met 9 times during the was as follows:.

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

Director	Meetings attended	Out of a possible
D J O'Mahoney, Chair	9	9
D W Chandler	5	9
J Deighan (Resigned 17 July 2023)	6	8
Rev. A Dixon	7	9
C Emmerson	5	9
H Hardy	6	9
A D Haslam	8	9
C McDonald (Resigned 25 March 2023)	4	6
C Zarraga, (Appointed 16 September 2022)	6	8

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
D J O'Mahoney	5	5
Rev. A Dixon	2	5
C Emmerson ,Chair	4	5
C McDonald (Resigned 25 March 2023)	2	3
A M Shanks	2	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
D W Chandler, Chair	3	3
J Deighan	3	3
H Hardy	3	3

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

Director	Meetings attended	Out of a possible
D J O'Mahoney	6	6
Rev. A Dixon	4	6
D Kendall ,Chair	4	6
A M Shanks	6	6
C Zarraga (Appointed 16 September 2022)	4	5

Governance review

As a matter of best practice academy trusts should be carrying out a self-assessment annually, and commissioning independent external reviews of governance routinely, as part of a wider programme of self-assessment and improvement in subsequent years.

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 2023 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 Autumn 2023. 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 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, supported by the Chief Financial Officer and the Trust finance team considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Trust has continued to deliver improved value for money during the year by reviewing and renegotiating trust-wide contracts including Grounds Maintenance, the Trust's Football Academy and the management information system.

The impact of the above actions is reflected in the KPI data which confirm strong outcomes for pupils, across educational phases and in relation to both academic outcomes and pathways to further education and employment.

In order to ensure SCA funding is utilized to maximum effect, the Trust had undertaken 3rd party building surveys to prioritise expenditure. Projects undertaken from this funding stream include energy efficiency works, boiler replacement and roof replacement.

Maximising income generation

The 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 2023, a number of organisations utilised the Trust for lettings, including sports fields and sports halls.

The Trust has commenced a partnership role with Teach First to deliver SCITT training and the delivery of NPQs. Whilst the initiative has principally been entered into to mitigate recruitment and retention challenges, it also represents an income generating activity.

Reviewing controls and managing risks

The Directors maintain oversight of the trust's risk management, value for money framework and governance arrangements.

The Trust appointed Azets 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 Trust including how these risks are managed via an annual review of the risk register (termly review by Audit & Risk Committee). Significant risks are then delegated to the appropriate committee to ensure appropriate action is taken and progress monitored.

The CEO, individual Headteachers, CFO and Finance Managers review budget monitoring reports on a monthly basis addressing any significant variances against budget. Capital budgets are delegated to each department and Curriculum Leaders 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 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 2022 to 31 August 2023 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 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 Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability, in particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors.
- regular reviews by the Finance and 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 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 internal 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 internal 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 was as follows: 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 18 December 2023 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 OF 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 trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 2022, including responsibilities for estates safety and management.

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 2022.

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: 18 December 2023

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023;
- 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 18 December 2023 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 2023 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 2022 to 2023 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 2023 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 2022 to 2023 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: 19/12/23

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 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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:

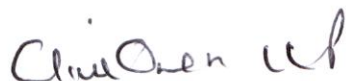
- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self-assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clive Owen LLP
Reporting Accountant

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Date: 19/12/23

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 2023**

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		-	-	-	-	(4,509)
Other donations and capital grants		25	18	2,950	2,993	2,315
Other trading activities	5	958	-	-	958	762
Investments	6	1	-	-	1	1
Charitable activities		2,363	65,844	-	68,207	57,371
Total income		3,347	65,862	2,950	72,159	55,940
Expenditure on:						
Charitable activities	7,8	6,133	66,276	1,218	73,627	62,019
Total expenditure		6,133	66,276	1,218	73,627	62,019
Net income/(expenditure)		(2,786)	(414)	1,732	(1,468)	(6,079)
Transfers between funds	19	-	(408)	408	-	-
Net movement in funds before other recognised gains/(losses)		(2,786)	(822)	2,140	(1,468)	(6,079)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	27	-	5,261	-	5,261	25,870
Asset Ceiling Restriction	27	-	(909)	-	(909)	-
Net movement in funds		(2,786)	3,530	2,140	2,884	19,791

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 2023

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Note					
Reconciliation of funds:					
Total funds brought forward		6,115	(4,776)	12,584	13,923
Net movement in funds		(2,786)	3,530	2,140	2,884
Total funds carried forward		<u>3,329</u>	<u>(1,246)</u>	<u>14,724</u>	<u>16,807</u>
					<u>13,923</u>

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	14	11,188	10,526
		<u>11,188</u>	<u>10,526</u>
Current assets			
Stocks	15	231	153
Debtors	16	2,312	2,133
Cash at bank and in hand		10,900	12,097
		<u>13,443</u>	<u>14,383</u>
Creditors: amounts falling due within one year	17	(5,749)	(5,139)
Net current assets		<u>7,694</u>	<u>9,244</u>
Total assets less current liabilities		<u>18,882</u>	<u>19,770</u>
Creditors: amounts falling due after more than one year	18	(720)	(852)
Net assets excluding pension liability		<u>18,162</u>	<u>18,918</u>
Defined benefit pension scheme liability	27	(1,355)	(4,995)
Total net assets / (liabilities)		<u><u>16,807</u></u>	<u><u>13,923</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	14,724	12,584
Restricted income funds	19	109	219
		<hr/>	<hr/>
Restricted funds excluding pension asset	19	14,833	12,803
Pension reserve	19	(1,355)	(4,995)
		<hr/>	<hr/>
Total restricted funds	19	13,478	7,808
Unrestricted income funds	19	3,329	6,115
		<hr/>	<hr/>
Total funds		<u>16,807</u>	<u>13,923</u>

The financial statements on pages 33 to 76 were approved by the Directors, and authorised for issue on 18 December 2023 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 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(2,346)	2,214
Cash flows from investing activities	23	1,250	693
Cash flows from financing activities	22	(99)	2,872
Change in cash and cash equivalents in the year		(1,195)	5,779
Cash and cash equivalents at the beginning of the year		12,097	6,318
Cash and cash equivalents at the end of the year	24, 25	<u>10,902</u>	<u>12,097</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 2023

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

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

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

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and 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 2023

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
Motor vehicles	- over 7 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 2023

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 16. 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 17 and 18. 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 2023

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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1.15 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

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 27, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

The original Local Government Pension scheme valuation showed an asset of £909,000 in respect of the Tyne and Wear Pension Fund. That asset valuation is highly dependent on a number of assumptions and does not represent the future value of benefits to the trust. As a result, the Directors have considered the potential benefits to the trust. On the basis that the future value of employer contributions in respect of future service cost (£1,852,000) exceed the employer future service costs (£1,651,000) combined with the fact that the last Local Government Scheme actuarial review set the contribution rates from 1 April 2023 and that these will not be revised until April 2026 the Directors have decided to include the pension asset for the Tyne and Wear Pension Fund at £NIL. The Durham County Council Pension Fund actuarial valuation reflects a liability position which is included in full on the balance sheet.

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 £41,147 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 £1,038,000.

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.

The academy buildings are owned by the Diocese of Hexham and Newcastle. The academy trust

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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

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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

3. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations					
Transfer from local authority on conversion	-	18	-	18	(4,509)
	-	18	-	18	(4,509)
Donations	25	-	-	25	28
Capital Grants	-	-	2,950	2,950	2,287
Subtotal	25	-	2,950	2,975	2,315
	25	18	2,950	2,993	(2,194)
Total 2022	2,076	(7,021)	2,751	(2,194)	

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. Funding for the academy trust's educational operations

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	54,872	54,872	47,649
Other DfE/ESFA grants				
Start Up Grants	-	-	-	175
Pupil Premium	-	3,123	3,123	2,403
PE and Sport Premium	-	435	435	333
UIFSM	-	640	640	489
Rates	-	244	244	187
Teachers' pay grant	-	12	12	78
Teachers' pension grant	-	194	194	221
Other DfE Group grants	-	56	56	606
Supplementary grant	-	1,533	1,533	624
Mainstream Schools Additional Grant	-	785	785	-
	-	61,894	61,894	52,765
Other Government grants				
SEN	-	925	925	737
Early Years Funding	-	1,419	1,419	1,183
Local Authority grants	-	-	-	105
Other Government grants	-	877	877	160
	-	3,221	3,221	2,185
Other income from the academy trust's academy's educational operations	2,363	231	2,594	2,121
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	498	498	300
	-	498	498	300
	2,363	65,844	68,207	57,371
	2,363	65,844	68,207	57,371
Total 2022	1,828	55,543	57,371	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

5. Income from other trading activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Rental and lettings income	20	-	20	17
Receipts from Supply Teacher Insurance claims	203	-	203	149
Other	735	-	735	596
	<u>958</u>	<u>-</u>	<u>958</u>	<u>762</u>
Total 2022	<u>757</u>	<u>5</u>	<u>762</u>	

6. Investment income

	Total funds 2023 £000	Total funds 2022 £000
Bank Interest	<u>1</u>	<u>1</u>

7. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
Academy's educational operations:					
Direct costs	46,683	-	4,830	51,513	44,249
Allocated support costs	9,485	5,487	7,142	22,114	17,770
	<u>56,168</u>	<u>5,487</u>	<u>11,972</u>	<u>73,627</u>	<u>62,019</u>
Total 2022	<u>48,269</u>	<u>4,181</u>	<u>9,569</u>	<u>62,019</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

7. Expenditure (continued)

In 2023, of the total expenditure, £6,133,000 (2022: £1,508,000) was to unrestricted funds, £66,276,000 (2022: £59,513,000) to restricted funds and £1,218,000 (2022: £998,000) 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 period (2022: £Nil)

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations	51,513	22,114	73,627	62,019
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2022	44,249	17,770	62,019	
	<hr/>	<hr/>	<hr/>	

Analysis of direct costs

	Total funds 2023 £000	Total funds 2022 £000
Staff costs	46,683	40,565
Educational supplies	993	681
Examination fees	604	458
Staff development	371	490
Technology costs	164	167
Educational consultancy	1,779	1,331
Supply insurance	272	170
Transport	644	365
Other costs	3	22
	<hr/>	<hr/>
	51,513	44,249
	<hr/>	<hr/>

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £000	Total funds 2022 £000
Net interest cost on pension scheme	156	413
Staff costs	9,485	7,704
Depreciation	1,038	902
Technology costs	850	795
Staff expenses	40	33
Maintenance of premises	2,015	1,301
Cleaning	735	526
Other premises costs	762	571
Energy	1,884	1,128
Rent and rates	259	207
Insurance	223	185
Operating lease rentals	55	71
Catering	2,008	1,541
Legal costs - conversion	84	200
Security Expense	35	32
Other costs	2,433	2,101
Governance costs	52	60
	<u>22,114</u>	<u>17,770</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2023 £000	2022 £000
Operating lease rentals	55	71
Depreciation of tangible fixed assets	1,038	902
Fees paid to auditors for:		
- audit	33	33
- other services	1	6
	<u>1</u>	<u>6</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	39,662	32,309
Social security costs	4,111	3,381
Pension costs	9,370	10,015
	<u>53,143</u>	<u>45,705</u>
Agency staff costs	2,990	2,461
Staff restructuring costs	35	103
	<u>56,168</u>	<u>48,269</u>

Staff restructuring costs comprise:

	2023 £000	2022 £000
Redundancy payments	35	15
Severance payments	14	88
	<u>49</u>	<u>103</u>

Included in operating costs of defined pension schemes is a charge of £556,000 (2022 : £2,803,000) relating to the pension deficit actuarial adjustment.

b. Severance payments

The academy trust paid - severance payments in the year (2022 - 11), disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	5	10
£25,001 - £50,000	-	1
	<u>-</u>	<u>1</u>

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2022:£Nil). Individually, the payments were: Nil.

Non-statutory/non-contractual staff severance payments

Included in compensation payments are non-statutory/non-contractual redundancy payment totalling £9,000. This was comprised of individual figures of £3,000, £5,000 and £1,000.

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

10. Staff (continued)

d. Staff numbers

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

	2023 No.	2022 No.
Teaching staff	594	544
Administration and support staff	734	628
Management staff	29	23
	<u>1,357</u>	<u>1,195</u>

e. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	30	18
In the band £70,001 - £80,000	22	11
In the band £80,001 - £90,000	5	4
In the band £90,001 - £100,000	4	2
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	1	1
In the band £120,001 - £130,000	1	-
In the band £180,001 - £190,000	-	1
In the band £190,001 - £200,000	1	-
	<u>1</u>	<u>-</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 £3,946,000 (2022 : £2,657,000). The increase in key management personnel is due to the growth of the academy trust.

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Central services (continued)

The actual amounts charged during the year were as follows:

	2023 £000	2022 £000
St Wilfrid's RC College	407	434
St Joseph's Catholic Academy	357	374
Our Lady of the Rosary Catholic Primary School	62	71
St Mary's Catholic Primary School	56	62
St Anthony's Girls' Catholic Academy	378	428
St Aidan's Catholic Academy	260	273
St Godric's Catholic School, Thornley	22	31
St Mary's Catholic Primary School, Wingate	21	25
St Aloysius Catholic Junior School Academy	57	63
St Aloysius Catholic Infant School, Hebburn	43	51
St Joseph's Catholic Primary School, Jarrow	47	56
St Leonard's Catholic Primary School, Silksworth	33	38
St Bede's Catholic School and Byron Sixth Form College	260	239
St Patrick's Catholic Primary School, Ryhope	33	39
St Bede's Catholic Primary School, South Shields	49	56
St Peter and Paul Catholic Primary School, South Shields	54	61
St Cuthbert's Catholic Primary School, Seaham	48	53
St James' Catholic Primary School, Hebburn	49	45
St Bede's Catholic Primary School, Jarrow	49	51
St Mary's Catholic Primary School, Sunderland	93	69
St John Bosco Catholic Primary School, Town End Farm, Sunderland	50	37
Our Lady of Lourdes Catholic Primary School, Shotton	41	47
St Joseph's Catholic Primary School, Blackhall	22	25
St Oswald's Catholic Primary School, South Shields	47	27
St Joseph's Catholic Primary School, Sunderland	53	32
English Martyrs' Catholic Primary School, Sunderland	49	31
St Gregory's Catholic Primary School, South Shields	46	24
St Matthew's Catholic Primary School, Jarrow	49	22
St Cuthbert's Catholic Primary School, Sunderland	50	27
St Mary Magdalen's Catholic Primary School, Seaham	67	13
Total	<u>2,852</u>	<u>2,804</u>

12. Directors' remuneration and expenses

During the year, no Directors received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Director expenses have been incurred (2022 - £NIL).

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. Tangible fixed assets

	Leasehold land and buildings £000	Leasehold improve- ments £000	Furniture and equipment £000	Computer equipment £000	Assets under construction £000	Motor vehicles £000	Total £000
Cost							
At 1 September 2022	2,282	7,021	933	1,518	1,607	-	13,361
Additions	-	918	269	357	106	50	1,700
Transfers between classes	-	1,713	-	-	(1,713)	-	-
At 31 August 2023	2,282	9,652	1,202	1,875	-	50	15,061
Depreciation							
At 1 September 2022	85	1,260	562	928	-	-	2,835
Charge for the year	18	451	196	368	-	5	1,038
At 31 August 2023	103	1,711	758	1,296	-	5	3,873
Net book value							
At 31 August 2023	2,179	7,941	444	579	-	45	11,188
At 31 August 2022	2,197	5,761	371	590	1,607	-	10,526

15. Stocks

	2023 £000	2022 £000
Educational materials stock	231	153

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Debtors

	2023 £000	2022 £000
Trade debtors	71	61
Other debtors	15	-
Investments	600	-
Prepayments and accrued income	1,149	1,597
VAT repayable	477	475
	<u>2,312</u>	<u>2,133</u>

17. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Other loans	150	119
Trade creditors	1,265	415
Other taxation and social security	959	883
Other creditors	1,144	1,183
Accruals and deferred income	2,231	2,539
	<u>5,749</u>	<u>5,139</u>

	2023 £000	2022 £000
Deferred income at 1 September 2022	821	278
Resources deferred during the year	885	821
Amounts released from previous periods	(821)	(278)
Deferred income at 31 August 2023	<u>885</u>	<u>821</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 school led tutoring paid for in advance.

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

	2023 £000	2022 £000
Other loans	<u>720</u>	<u>852</u>

Other loans includes loans from Salix Finance Ltd of £870,000 (2022: £971,000) which is an interest free loan repayable though GAG over a 10 year period paid bi-annually.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
Unrestricted general funds	6,115	3,347	(6,133)	-	-	3,329
Restricted general funds						
General Annual Grant (GAG)	119	54,872	(54,474)	(408)	-	109
Conversion grants	100	18	(118)	-	-	-
Pupil Premium	-	3,123	(3,123)	-	-	-
Other DfE/ESFA grants	-	3,899	(3,899)	-	-	-
SEN	-	925	(925)	-	-	-
Other Government grants	-	2,296	(2,296)	-	-	-
COVID funding	-	498	(498)	-	-	-
Other income	-	231	(231)	-	-	-
Pension reserve	(4,995)	-	(712)	-	4,352	(1,355)
	<u>(4,776)</u>	<u>65,862</u>	<u>(66,276)</u>	<u>(408)</u>	<u>4,352</u>	<u>(1,246)</u>

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Statement of funds (continued)

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Restricted fixed asset funds						
Assets inherited on conversion	2,523	-	(58)	-	-	2,465
Devolved Formula Capital	946	851	(225)	-	-	1,572
Condition Improvement Fund	5,330	197	(311)	-	-	5,216
Capital expenditure from GAG	852	-	(265)	408	-	995
Donations	37	-	(37)	-	-	-
School Condition Allocation	2,808	1,902	(253)	-	-	4,457
Assets donated from DfE	88	-	(69)	-	-	19
	<u>12,584</u>	<u>2,950</u>	<u>(1,218)</u>	<u>408</u>	<u>-</u>	<u>14,724</u>
Total Restricted funds	<u>7,808</u>	<u>68,812</u>	<u>(67,494)</u>	<u>-</u>	<u>4,352</u>	<u>13,478</u>
Total funds	<u><u>13,923</u></u>	<u><u>72,159</u></u>	<u><u>(73,627)</u></u>	<u><u>-</u></u>	<u><u>4,352</u></u>	<u><u>16,807</u></u>

BISHOP CHADWICK CATHOLIC EDUCATION TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

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

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

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

Other DfE/ESFA Grants also includes the PE and sport premium grant, rates relief, teachers' pay grant, teachers' pension grant, supplementary grant, mainstream schools additional 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 27.

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

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

A transfer of £408k has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

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 2023.

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

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

	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)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Restricted fixed asset funds						
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
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><u>(5,868)</u></u>	<u><u>55,940</u></u>	<u><u>(62,019)</u></u>	<u><u>-</u></u>	<u><u>25,870</u></u>	<u><u>13,923</u></u>

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

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £000	2022 £000
St Wilfrid's RC College	2,727	2,199
St Joseph's Catholic Academy	(25)	127
Our Lady of the Rosary Catholic Primary School	12	77
St Mary's Catholic Primary School	275	467
St Anthony's Girls' Catholic Academy	1,798	1,690
St Aidan's Catholic Academy	(68)	196
St Godric's Catholic School, Thornley	(52)	34
St Mary's Catholic Primary School, Wingate	(105)	(25)
St Aloysius Catholic Junior School Academy	206	195
St Aloysius Catholic Infant School, Hebburn	129	96
St Joseph's Catholic Primary School, Jarrow	17	76
St Leonard's Catholic Primary School, Silksworth	(173)	(41)
St Bede's Catholic School and Byron Sixth Form College	(2,033)	(938)
St Patrick's Catholic Primary School, Ryhope	(13)	71
St Bede's Catholic Primary School, South Shields	(129)	24
St Peter and Paul Catholic Primary School, South Shields	160	161
St Cuthbert's Catholic Primary School, Seaham	71	89
St James' Catholic Primary School, Hebburn	47	125
St Bede's Catholic Primary School, Jarrow	(76)	29
St Mary's Catholic Primary School, Sunderland	331	411
St John Bosco Catholic Primary School, Town End Farm, Sunderland	294	307
Our Lady of Lourdes Catholic Primary School, Shotton	274	194
St Joseph's Catholic Primary School, Blackhall	59	76
St Oswald's Catholic Primary School, South Shields	142	279
St Joseph's Catholic Primary School, Sunderland	(1)	9
English Martyrs' Catholic Primary School, Sunderland	181	205
St Gregory's Catholic Primary School, South Shields	134	146
St Matthew's Catholic Primary School, Jarrow	(80)	(38)
St Cuthbert's Catholic Primary School, Sunderland	222	232
St Mary Magdalen's Catholic Primary School, Seaham	155	240
Central services	(1,041)	(379)
Total before fixed asset funds and pension reserve	3,438	6,334
Restricted fixed asset fund	14,724	12,584
Pension reserve	(1,355)	(4,995)
Total	16,807	13,923

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Statement of funds (continued)

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	(105)
St Leonard's Catholic Primary School, Silksworth	(173)
St Bede's Catholic School and Byron Sixth Form College	(2,033)
St Matthew's Catholic Primary School, Jarrow	(80)
Central services	(1,041)
St Joseph's Catholic Primary School, Sunderland	(1)
St Bede's Catholic Primary School, Jarrow	(76)
St Bede's Catholic Primary School, South Shields	(129)
St Patrick's Catholic Primary School, Ryhope	(13)
St Godric's Catholic School, Thornley	(52)
St Aidan's Catholic Academy	(68)
St Joseph's Catholic Academy	(25)

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Statement of funds (continued)

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. Had the academy been funded on October 22 census figures rather than October 21 lagged figures, the academy would have received additional funding in the region of £700,000.

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.

St Joseph's Catholic Primary School, Sunderland reports a small deficit of £1,000 following an in-year deficit of £10,000 linked to Early Years Funding being lower than budgeted. There are no significant concerns regarding the school's ability to return to surplus.

St Bede's Catholic Primary School, Jarrow has reported an in-year deficit due in part to admissions below PAN in certain year groups. Integrated curriculum financial planning has highlighted that staffing costs are also higher than expected for a school of this size and costs will be re-balanced during 2023-24 via natural wastage.

St Bede's Catholic Primary School, South Shields incurred significant Teaching Assistant staffing costs and agency costs linked to SEND.

St Patrick's Catholic Primary School, Ryhope 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 the period of rapid growth. The academy is expected to return to an in-year surplus in 2025-26, i.e. within the medium-term financial plan. Had the academy been funded based on October 22 census figures rather than October 21 lagged figures, the academy would have received additional funding in the region of £46,000.

St Godric's Catholic Primary School Thornley is a small primary of only 64 pupils which presents a challenge in managing the school budget. The school is affiliated with St Mary's Catholic Primary School Wingate (Executive Headteacher arrangement) and the two schools work collaboratively together to share staffing and resources.

St Aidan's Catholic Academy 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. Had the academy been funded based on October 22 census figures rather than October 21 lagged figures, the academy would have received

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19. Statement of funds (continued)

additional funding in the region of £125,000.

St Joseph's Catholic Academy 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. Had the academy been funded based on October 22 census figures rather than October 21 lagged figures, the academy would have received additional funding in the region of £530,000.

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 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 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.

The Central Services function continues to incur significant expenditure linked to procurement activity which has benefitted school budgets but adversely affect the Central services budget.

Further, it is noted that 3 of the 5 secondary schools are experiencing significant growth and have a lagged funding effect of £1,401,000 as detailed above - had these schools been funded based on actual numbers rather than lagged pupil numbers, there would have been an additional contribution of £70,000 to the Central service function budget. The budget for the Central services function was also developed with the understanding that the Diocesan growth plan would have concluded by Summer 2022 - impact on the Central services budget of the delays in this conversion plan is estimated at £200,000 p.a.

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 2023 £000	Total 2022 £000
St Wilfrid's RC College	5,867	725	108	1,763	8,463	7,619
St Joseph's Catholic Academy	5,463	729	189	1,760	8,141	6,995
Our Lady of the Rosary Catholic Primary School	1,169	205	24	268	1,666	1,553
St Mary's Catholic Primary School	1,121	217	18	375	1,731	1,442
St Anthony's Girls' Catholic Academy	5,557	763	100	1,617	8,037	7,600
St Aidan's Catholic Academy	3,771	647	141	1,240	5,799	4,949

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19. 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 2023 £000	Total 2022 £000
St Godric's Catholic School, Thornley	373	84	20	120	597	597
St Mary's Catholic Primary School, Wingate	386	87	3	114	590	533
St Aloysius Catholic Junior School Academy	787	163	14	357	1,321	1,165
St Aloysius Catholic Infant School, Hebburn	832	190	2	180	1,204	1,138
St Joseph's Catholic Primary School, Jarrow	840	185	10	257	1,292	1,190
St Leonard's Catholic Primary School, Silksworth	495	122	25	303	945	865
St Bede's Catholic School and Byron Sixth Form College	4,213	566	50	2,038	6,867	5,411
St Patrick's Catholic Primary School, Ryhope	525	132	6	225	888	750
St Bede's Catholic Primary School, South Shields	932	176	17	285	1,410	1,228
St Peter and Paul Catholic Primary School, South Shields	970	169	24	251	1,414	1,264
St Cuthbert's Catholic Primary School, Seaham	809	163	19	165	1,156	1,069
St James' Catholic Primary School, Hebburn	796	157	16	252	1,221	1,042
St Bede's Catholic Primary School, Jarrow	871	170	9	249	1,299	1,063

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19. 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 2023 £000	Total 2022 £000
St Mary's Catholic Primary School, Sunderland	1,504	274	28	471	2,277	1,452
St John Bosco Catholic Primary School, Town End Farm, Sunderland	807	162	27	321	1,317	762
Our Lady of Lourdes Catholic Primary School, Shotton	575	133	12	185	905	833
St Joseph's Catholic Primary School, Blackhall	434	85	7	128	654	526
St Oswald's Catholic Primary School, South Shields	889	144	19	309	1,361	643
St Joseph's Catholic Primary School, Sunderland	833	206	26	279	1,344	716
English Martyrs' Catholic Primary School, Sunderland	747	140	4	324	1,215	659
St Gregory's Catholic Primary School, South Shields	695	179	2	251	1,127	362
St Matthew's Catholic Primary School, Jarrow	736	177	16	235	1,164	465
St Cuthbert's Catholic Primary School, Sunderland	806	200	19	297	1,322	499
St Mary Magdalen's Catholic Primary School, Seaham	1,170	258	27	231	1,686	224

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19. 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 2023 £000	Total 2022 £000
Central services	1,150	1,879	376	771	4,176	6,503
Academy trust	46,123	9,487	1,358	15,621	72,589	61,117

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	11,188	11,188
Current assets	3,329	6,578	3,536	13,443
Creditors due within one year	-	(5,749)	-	(5,749)
Creditors due in more than one year	-	(720)	-	(720)
Provisions for liabilities and charges	-	(1,355)	-	(1,355)
Total	3,329	(1,246)	14,724	16,807

Analysis of net assets between funds - prior 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

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

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(1,468)	(6,079)
Adjustments for:		
Depreciation	1,038	902
Capital grants from DfE and other capital income	(2,950)	(2,449)
Defined benefit pension scheme obligation inherited	-	7,021
Defined benefit pension scheme cost less contributions payable	556	2,803
Defined benefit pension scheme finance cost	156	413
(Increase) in stocks	(78)	(63)
(Increase) / decreases in debtors	(179)	(547)
Increase in creditors	579	2,563
Assets inherited on conversion	-	(2,350)
Net cash (used in)/provided by operating activities	(2,346)	2,214

22. Cash flows from financing activities

	2023 £000	2022 £000
Cash inflows from new borrowing	-	895
Repayments of loans	(99)	(4)
Cash inherited on conversion	-	1,981
Net cash (used in)/provided by financing activities	(99)	2,872

23. Cash flows from investing activities

	2023 £000	2022 £000
Purchase of intangible assets	-	(23)
Purchase of tangible fixed assets	(1,700)	(2,876)
Capital grants from DfE Group	2,950	3,592
Net cash provided by investing activities	1,250	693

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24. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	10,902	12,097
Total cash and cash equivalents	<u>10,902</u>	<u>12,097</u>

25. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	12,097	(1,197)	10,900
Investment accounts	-	600	600
Debt due within 1 year	(119)	(31)	(150)
Debt due after 1 year	(852)	132	(720)
	<u>11,126</u>	<u>(496)</u>	<u>10,630</u>

26. Capital commitments

	2023 £000	2022 £000
Contracted for but not provided in these financial statements		
Purchase, construction or development of leasehold improvements	<u>310</u>	<u>87</u>

27. 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 £968,000 were payable to the schemes at 31 August 2023 (2022 - £896,000) and are included within creditors.

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27. 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 £6,322,000 (2022 - £5,397,000).

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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27. 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 2023 was £3,131,000 (2022 - £2,319,000), of which employer's contributions totalled £2,437,000 (2022 - £1,815,000) and employees' contributions totalled £ 694,000 (2022 - £504,000). The agreed contribution rates for future years are 20.7 - 25.7 % for employers and 5.5 - 12.5% for employees.

The original Local Government Pension scheme valuation showed an asset of £909,000 in respect of the Tyne and Wear Pension Fund. That asset valuation is highly dependent on a number of assumptions and does not represent the future value of benefits to the trust. As a result, the Directors have considered the potential benefits to the trust. On the basis that the future value of employer contributions in respect of future service cost (£1,852,000) exceed the employer future service costs (£1,651,000) combined with the fact that the last Local Government Scheme actuarial review set the contribution rates from 1 April 2023 and that these will not be revised until April 2026 the Directors have decided to include the pension asset for the Tyne and Wear Pension Fund at £NIL. The Durham County Council Pension Fund actuarial valuation reflects a liability position which is included in full on the balance sheet.

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

	2023	2022
	%	%
Rate of increase in salaries	4.10	4.20
Rate of increase for pensions in payment/inflation	2.60	2.70
Discount rate for scheme liabilities	5.10	4.10
Inflation assumption (CPI)	2.60	2.70
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:

	2023	2022
	Years	Years
Retiring today		
Males	21.0	21.8
Females	24.1	25.0
Retiring in 20 years		
Males	22.2	23.5
Females	25.5	26.7

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27. Pension commitments (continued)

Durham County Council Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	3.60	3.80
Rate of increase for pensions in payment/inflation	2.60	2.80
Discount rate for scheme liabilities	5.10	4.10
Inflation assumption (CPI)	2.60	2.80
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:

	2023	2022
	Years	Years
Retiring today		
Males	21.7	22.1
Females	23.9	24.2
Retiring in 20 years		
Males	22.9	23.2
Females	25.0	25.7

Sensitivity analysis

	2023	2022
	£000	£000
Discount rate +0.1%	(805)	(967)
Discount rate -0.1%	805	1,009
Mortality assumption - 1 year increase	(980)	(1,178)
Mortality assumption - 1 year decrease	980	1,178
CPI rate +0.1%	684	759
CPI rate -0.1%	(684)	(759)

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27. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	20,459	19,857
Corporate bonds	7,004	6,170
Government bonds	1,024	1,055
Property	3,946	3,959
Cash	693	644
Other	6,666	5,146
Total market value of assets	39,792	36,831

The actual return on scheme assets was £546,000 (2022 - £332,000).

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

	2023 £000	2022 £000
Current service cost	(2,979)	(4,618)
Past service cost	(14)	-
Interest income	1,560	549
Interest cost	(1,716)	(962)
Total amount recognised in the Statement of Financial Activities	(3,149)	(5,031)

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

	2023 £000	2022 £000
At 1 September	41,826	46,832
Conversion of academy trusts	-	15,743
Current service cost	2,979	4,618
Interest cost	1,716	962
Employee contributions	694	504
Actuarial gains	(6,275)	(26,087)
Benefits paid	(716)	(746)
Past service costs	14	-
Asset ceiling restriction	909	-
At 31 August	41,147	41,826

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27. Pension commitments (continued)

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

	2023 £000	2022 £000
At 1 September	36,831	26,204
Conversion of academy trusts	-	8,722
Expected return on assets	1,560	549
Actuarial losses	(1,014)	(217)
Employer contributions	2,437	1,815
Employee contributions	694	504
Benefits paid	(716)	(746)
At 31 August	<u>39,792</u>	<u>36,831</u>

28. Operating lease commitments

At 31 August 2023 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
AMOUNTS PAYABLE:		
Within one year	38	85
Between one and five years	43	84
	<u>81</u>	<u>169</u>

29. Related party transactions

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

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

- The academy trust paid £4,265 (2022 : £83,856) for Catholic educational supplies. There were £Nil amounts outstanding at 31 August 2023 (2022 : £2,700) .
- The academy trust received income totalling £137,443 (2022 : £183,968) 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 2022.

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30. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the trust received £95,000 (2022: £92,000) and disbursed £8,000 (2022: £24,000) from the fund. An amount of £108,000 (2022: nil) was clawed back during the year. An amount of £132,000 (2022: £169,000) is included in other creditors relating to undistributed funds.