

Company Registration No. 07908404 (England and Wales)

**LORD LAWSON OF BEAMISH ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021**

LORD LAWSON OF BEAMISH ACADEMY

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 15
Statement on regularity, propriety and compliance	16
Statement of trustees' responsibilities	17
Independent auditor's report on the accounts	18 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 48

LORD LAWSON OF BEAMISH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A H Leaf
C Matthias
D Ramshaw
J Kelly
C P Smith
M Turner

Trustees

A J Logan (Vice chair)
C P Smith (Chair to 15 September 2021)
D Horn (Vice chair) (Resigned 22 April 2021)
E Ovington (Resigned 14 July 2021)
G J Currey (Chair)
M Surtees (Resigned 1 July 2021)
A Fowler (Accounting Officer)
S Gallagher
J S Halpin
J Hooker (Resigned 12 July 2021)
D Smith (Resigned 6 December 2020)
C Godfrey
H McClean
J Greenwell
K Thompson
L Doran (Appointed 25 June 2021)
K Barron (Appointed 13 July 2021)
A Chanse (Appointed 26 January 2021)

Senior management team

- Principal	Andrew Fowler
- Deputy Principal	Joe Dicocco
- Assistant Principal	Sue Nellist
- Assistant Principal	Kate Kendall
- Assistant Principal	Alexander Rayner
- Assistant Principal	Janey Stubbs
- Assistant Principal	Louise Ford
- Assistant Principal	Paul Walsh
- Business Manager	Linda Alder (Resigned 30 April 2021)
- Business Manager	James Pedlingham (Appointed 1 June 2021)

Company secretary

S Wakefield

Company registration number

07908404 (England and Wales)

Registered office

Birtley Lane
Birtley
County Durham
DH3 2LP
United Kingdom

LORD LAWSON OF BEAMISH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham TS22 5TB United Kingdom
Bankers	Lloyds Bank plc 19 Market Place Durham County Durham DH1 3NL United Kingdom
Solicitors	Womble Bond Dickinson St Anns Wharf 112 Quayside Newcastle Upon Tyne Tyne And Wear NE1 3DX United Kingdom

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 18 serving a catchment area of Birtley, Gateshead with about 48% of students coming from the five cluster schools in the immediate vicinity of Birtley and the rest coming from primary schools across three other local authority areas. It has a pupil capacity of 1500 and had a roll of 1437 on October PLASC day 2020. The current number of Students on roll is 1356 on October PLASC day 2021.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of Lord Lawson of Beamish Academy Trust Limited are also directors of the charitable company for the purposes of company law. The charitable company is known as Lord Lawson of Beamish Academy.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administration 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

Every trustee of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty, or breach of trust in relation to the affairs of the academy trust.

Method of recruitment and appointment or election of trustees

The members of the academy shall comprise the signatories to the Memorandum of Association and any other person appointed under Article 16 of the Articles of Association.

Details of the Board of Trustees are shown in reference and administration details on page 1. The number of trustees at any one time shall not be less than three (unless otherwise determined by ordinary resolution) and shall not be subject to any maximum.

Subject to Articles 48-49 and 64, of the Articles of Association the Academy Trust shall have the following trustees:

- a) Up to 9 trustees appointed by the members under article 5;
- b) Up to 3 staff trustees, if appointed under article 50A;
- c) Up to 1 LA trustee, if appointed under article 51;
- d) Up to 7 (and a minimum of 2) parent trustees appointed under articles 53-58;
- e) The Principal shall be treated for all purposes as an ex officio trustee;
- f) Any additional trustees, if appointed under article 62, 62A, 62C, or 68A; and
- g) Any further trustees, if appointed under Article 63 or article 68A.

The Academy Trust may also have any co-opted trustees appointed under article 58

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

The School and Governor Support Service of the Local Authority produce an annual training course directory which allows new trustees to access induction training, as well as providing courses which are relevant to existing trustees. The content of the directory is reviewed each year to reflect any changes in practice and legislation. Trustees also have access to the website and a trustee information file to assist in their induction. Trustees may also attend relevant sessions taking place in the academy on staff professional development days.

All trustees have completed a skills audit to identify level of skills, knowledge and experience and identify their training needs.

Prospective trustees meet with the chair and/or vice chairs of trustees prior to appointment to learn more about the Academy and to become familiar with it. Bespoke induction sessions and continuing development sessions are arranged upon appointment as a trustee. All trustees receive a handbook, updated each year, detailing the structure of the Academy Trust, terms of reference, a code of conduct and an analysis of the Academy's current position and key priorities.

As members of the National Governors Association all trustees receive weekly email updates offering advice and guidance to trustees and allowing them to keep up to date with current issues in education.

Organisational structure

The Members are the owners of the company in the same way as shareholders, and are responsible for safeguarding the ethos of the academy. They hold the trustees to account for the operation of the academy and fulfil this responsibility by reviewing the position at an Annual General Meeting and an additional meeting in which the Chair of Trustees presents a report for consideration by the Members. The members appoint a proportion of the trustees and may remove trustees if they have concerns.

The trustees' role is at a strategic level ensuring that the company acts at all times within its charitable objects as specified in the Articles of Association achieving successful outcomes for its students. Responsibility for the day to day operation of the academy is delegated to the Principal and Senior Leaders.

Meetings of the Board of Trustees shall take place at least once a term with additional meetings as required operating under agreed terms of reference. To assist the decision making of the Board of Trustees, and to enable more detailed conversation to be given to the best means of fulfilling the Board of Trustees responsibilities, the following committees are in place.

- Academy Management Committee
- Student Progress Committee
- Discipline, Appeals and Complaints Committee
- Academy Restructure Committee
- Principal's Performance Management Committee

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Arrangements for setting pay and remuneration of key management personnel

The Academy has a Performance Appraisal Policy which sets out the framework for a clear and consistent assessment of the overall performance of the Principal and Senior Leadership Team and supports their development needs within the context of the School Improvement Plan.

The performance appraisal cycle for leadership posts runs from 21 September to 20 September with the main review period in the first half of the autumn term.

Objectives will be set at the start of the performance appraisal period and aligned with academy development priorities, as well as reflecting an individual's professional aspirations.

Assessment of performance throughout the cycle is against set performance criteria and will be the basis on which any recommendation for remuneration is made by the reviewer.

The Principal will be the reviewer for Senior Leadership Team and will undertake performance appraisal reviews for all members of the leadership team by the October half term.

The Board of Trustees is the reviewer for the Principal and has discharged this responsibility to a performance appraisal committee. The performance appraisal cycle for the Principal will run from September to September.

All requests for pay progression will be submitted to the Academy Management Committee for approval.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	4,996
Total pay bill	6,581,705
Percentage of the total pay bill spent on facility time	0.08%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
---	------

Related parties and other connected charities and organisations

The Academy does not work in federation with any other organisations but has relationships with other schools and colleges as well as external businesses to assist in the achievement of the academy objectives.

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The Academy Trust's object ("the Object") is specifically restricted to the following;

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
- To promote for the inhabitants of the area surrounding the Academy the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, strategies and activities

Review of 2020-21

During the 2020-21 academic year, the academy continued to work on its principal objectives, as outlined in the school development plan. These objectives were carried forward from the previous year's Opportunity North East (ONE) programme. The focus on the plan was in five areas:

1. Improve the quality of education: teaching and learning; curriculum
2. Improve students' behaviour, attitudes and self-regulation
3. Improve personal development provision and curriculum
4. Improve leadership and management at all levels, including governance
5. Improve finances: efficiency of curriculum and teaching time; value-for-money of contracts

Background: In the spring of 2019, the Academy accepted an invitation from the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA) to become part of the Opportunity North East (ONE) School Vision project. Membership of this project was restricted to schools that had received one or more Ofsted 'Requires Improvement' judgements and that had had Progress 8 scores below zero for more than one year.

The overall programme aim is that "each ONE Vision school should achieve a progress score of at least 0 and receive an Ofsted judgement, 'Good' within 3 years." A Progress 8 of zero or better means that progress of students at the end of Year 11 is at least equal to the national average. In order to achieve these aims, ONE provides a funded programme of support and advice to member schools.

The ONE School Vision project involved an initial set of diagnostic exercises, followed by a programme of school improvement, in partnership with a more successful local school, under the leadership of a National Leader of Education (NLE). The Academy chose to be partnered by Cardinal Hume Catholic School, part of the Bishop Wilkinson Catholic Multi-Academy Trust, under the leadership of its NLE, Nick Hurn OBE.

ONE diagnostics, carried out in the autumn term of 2019, included a Review of Governance by a National Leader of Governance (NLG), a review of school finances, systems and resources by a School Resources Management Adviser (SRMA), and a review of school effectiveness by the NLE. Each of these reviews led to a diagnostic report and an action plan. These reports were accepted by ONE and school improvement funding of £190,650 was allocated to the Academy. As required under the terms of the ONE funding agreement, all recommendations in the diagnostic reports were accepted by the Academy and are being implemented through the Action Plan. It was not possible, because the disruption caused by the COVID-19 pandemic, to conclude the plan as expected within 2020-21, and part of this plan has been rolled forward, with the continued agreement and support of the DfE, the Opportunity North East steering group, and the academy's partners at Cardinal Hume Catholic School.

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The pandemic seriously affected the academy's ability to offer education to its students in the usual way, through face-to-face lessons. Following the lead taken from March 2020, safety measures continued in place during the year 2020-21. Staff and student attendance during the autumn term 2020 were badly affected by illness and the requirement of close COVID contacts to self-isolate, to the extent that two year groups (years 10 and 11) were asked to work from home for a period of up to 10 days in November 2020. In January 2021 a national schools lockdown was imposed, with just one day's notice. Teaching therefore moved online for the majority of students. Laptops were provided for any student who did not have access to a suitable device for learning. Children of key workers continued to be educated on site, and so were vulnerable children. The academy's definition of 'vulnerability' included those who were not able (or not willing) to access learning online; by the end of the lockdown period, around 20% of the academy population was attending school. COVID testing had to be implemented in school for students attending, which was a substantial administrative and logistical undertaking, supervised by the Business Manager. The academy also provided an extensive social and practical support network for the community during this period of lockdown.

From 8 March 2021, students returned to school and face-to-face teaching resumed for all students. Public examinations, however, were cancelled for the second year in succession. A rigorous system of Teacher-Assessed Grades was put in place to assess, standardise, moderate and award the grades for GCSE, A level and all vocational qualifications. This process built on and improved further the scrutiny and rigour started with the previous year's system of Centre-Assessed Grades.

Notwithstanding the challenges and set-backs caused by the COVID-19 pandemic, progress has been made against all five areas of focus. Regular reports have been given to governors and, via the ONE steering group, to the DfE. Towards the end of the year, the academy applied to join, and was accepted onto, the government's Behaviour Hub initiative. This year-long programme, directed by Tom Bennett, will enable the academy to make more rapid progress in auditing needs, planning for and implementing plans to improve behaviour and culture around the school.

Public benefit

We have referred to the Charity Commission's guidance on public benefit when reviewing our aims and objectives and in planning our future activities. The Academy has provided a fully comprehensive education to all students in its care and seeks to support its wider educational objectives via a strong community role.

This commitment to public benefit was particularly apparent during the coronavirus lockdown between January 2021 and March 2021, when the Academy remained open for vulnerable students and children of key workers, and provided and coordinated extensive pastoral and practical support to the local community.

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report

Achievements and performance

Following two successive 'Requires Improvement' judgements from Ofsted, the most recent in June 2019, just before the appointment of the current principal, the academy continues to improve at a rapid pace. Staffing was extensively restructured at all levels in 2019-20 and further refinements were made in 2020-21. Curriculum changes have also been implemented, including changes to the options systems for Key Stage 4 and the amount of curriculum time each student receives in each subject. The effect of these staffing and curriculum changes has been to ensure that students get the specialist teachers and the support they need, and that the academy's financial resources are used efficiently.

Changes were made to line management and accountability, particularly within the academic departments. The appointment of a new Deputy Principal has brought clarity and energy to this strategic development, along with the establishment of teaching and learning teams within the senior leadership and middle leaders. These innovations are regarded as vital to ensure that improvements to teaching and learning are considered, effective and sustained.

Towards the end of the lockdown period, in March 2021, the academy received a remote monitoring inspection from Ofsted, looking at the quality of education delivered to all students, including those attending school and those working from home. "Having considered all the evidence and taking into account the impact of COVID-19 on the school," Her Majesty's Inspectors found that "Leaders and those responsible for governance are taking effective action to provide education in the current circumstances." Points for development were offered in relation to reading recovery, curriculum plans and communication with parents. This was the academy's first interaction with Ofsted since the Section 5 inspection in June 2019, and it was a positive report.

The academy continues to operate with a strong and clear moral purpose. Its vision statement continues to assert that "Together we grow, learn and succeed." The academy's values remain those adopted in 2019-20: Trust, Respect, Courage and Ambition. This vision and these values inform and lead the work of the Trust, and they have become more visible and tangible within the academy during the course of the year. The new Personal Development Curriculum embeds these values, alongside British Values and the Relationships and Sex Education curriculum.

Key performance indicators

Results for 2021, being based on Teacher-Assessed Grades, are not comparable with results for previous years. No national comparisons were published in 2020 or 2021. Value-added figures are not therefore included for 2021.

GCSE Average Attainment 8 grade: 4.66; target: 4.93. On average, students' grades were just under one third of a grade below their targets. Target grades were formulated at a level that would have resulted in a slightly positive Progress 8 figure in a more normal year. The students therefore achieved results that represent an improvement on 2018-19 results. 163 students (66.3%) achieved pass grades (Grade 4) in both English and Mathematics (12% below target, disadvantaged students 19% below target) and 121 students (49.2%) achieved secure pass grades (Grade 5) in both English and Mathematics (3% below target).

Disadvantaged students represented 28% of the cohort of 246 students. They made less strong progress from their starting points. Girls continued to gain stronger grades, on average, than boys.

Students continued to perform more strongly in English (Language and Literature) than Mathematics and Science, although the gap closed to some extent. Students gained stronger grades in Geography, Graphic Design, Dance, Business Studies, Physics and PE, and less strong grades in French, History, Chemistry and Technology.

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Starting in 2018, the Board of Trustees began to deal with a significant projected financial difficulty. Projecting the Academy's income, expenditure and reserves over a 3-year period enabled them to see that, if the Trust had done nothing, it would have been faced with a deficit of £4.3 Million by the end of 2021/22. In common with many schools, the Academy faces increasing staffing and resources costs that are not matched by corresponding increases in its funding.

During 2020/21, the Board of Trustees worked closely with the senior leadership team of the Academy to project income and expenditure more accurately and to make significant savings in expenditure, in order to set a balanced budget within 3 years. The Academy has implemented all the recommendations outlined in the SRMA's report, including restructuring teaching and support staff, reviewing the curriculum and teaching time, and reviewing contracts. Having taken this action, the Board of Trustees believe that Academy is now in a much more sustainable financial position, despite fluctuations in income and expenditure linked with the coronavirus pandemic.

During the financial year the Academy's dispute with the ESFA over underfunding by Gateshead Council over a 3-year period to 2016 was resolved.

Financial review

The Academy's Financial Procedures Manual ensures that the Lord Lawson of Beamish Academy Trust maintains and develops systems of financial control to conform with both propriety and good financial management to meet the requirements of the Education Skills Funding Agency. All expenditure of the Academy Trust is made in line with this manual and as such, supports the provision of education for all pupils on roll.

The Board of Trustees has recently carried out a significant restructure of the senior leadership team and support staff, and a review of resources and expenditure generally, in order to deal with this and secure the long term financial viability of the Academy Trust. It has also reviewed the way it approaches its budgeting taking into account likely income and expenditure.

The principal source of the academy's income is obtained from the ESFA in the form of recurrent grants the use of which is restricted for specific purposes. Such grants and associated expenditure are shown as restricted funds in the statement of financial activities for the period ending 31 August 2021.

During the period ending 31 August 2021 total expenditure of £9,559,902 was less than DFE grant funding and other incoming resources. The overall excess of income over expenditure was £267,351. Excluding LGPS adjustments and the fixed asset fund the surplus was £609,655. Budget and expenditure are reviewed at meetings of the Academy Management Committee which meets every term and shortfalls in the budget are met by existing reserves as well as staffing and other financial efficiencies which are made during the year.

In line with other academies Lord Lawson is a member of the Local Government Pension Scheme and currently has liability of £3,285,000.

A deficit budget was approved by Trustees in July 2020 for the financial year 2020/21 which would see the Academy use up to £156K of its current reserves, primarily to invest in strategic leadership which is required to bring about rapid improvements in the quality of education and outcomes for pupils, and additional operational capacity required to deal with the recovery curriculum necessitated by the Coronavirus pandemic. However, notwithstanding this deficit budget the Academy Trust will hold reserves at a level in excess of its Reserves Policy until at least the end of 2022/23. The Board of Trustees will keep matters under constant review.

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Reserves policy

The Academy Management Committee monitor income and expenditure against budget through reports presented at its termly meetings and monthly to ensure immediate financial commitments can be met (payroll and payment runs) and that the current account has adequate balances to meet forthcoming commitments detailed in the cash flow plan.

The Trustees consider it appropriate to hold funds in general reserve equivalent of 4 weeks expenditure, approximately £770,000.

At the end of this financial year 31 August 2021 balance of monies in the bank is £2,916,728. General and Unrestricted reserves were £2,220,616.

Investment policy

The Academy does not currently commit to any investments due to its current financial position and the uncertainty over the level of future PFI payments.

Principal risks and uncertainties

As a successful academy every year a key risk is competition from neighbouring schools and academies and a regular review of how we communicate with prospective parents takes place to ensure we remain a popular choice for new students and their parents. Changes by the government to the funding formula affecting levels of future funding to be received and increasing costs puts a potential strain on the long term viability of the Academy. The development and monitoring of a three year budget plan is allowing trustees through the Academy Management Committee to assess the level of risk and implement strategies to lessen the impact to try and ensure that sufficient funds are held to stop the academy going into a deficit situation.

We have also had to consider the risks associated with Covid, these range from financial risk, risk to life, risk to wellbeing of staff and students, the work-life balance needs to be considered also at these uncertain times. We have received COVID catch-up funding amounting to £99k in 2020-21 to help students with any progress related issues resulting from school lockdowns and also to help with additional costs.

Fundraising

The Academy fundraise for national charities such as Children in Need, Macmillan Coffee Mornings, Genes for Jeans, Save the Children Christmas Jumper Day, all the monies raised are donated to the relevant charity. We don't raise any funds for use in the Academy.

Plans for future periods

The Academy continues to strive to achieve 'Good' at its next full inspection. To achieve this key priorities have been identified through recent OFSTED monitoring visits following the last full inspection.

Funds held as custodian trustee on behalf of others

The Academy and its trustees do not act as the Custodian of any other Charity.

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor

In so far as the trustees are aware:-

- There is no relevant audit information of which the Charitable Company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 31.12/21 and signed on its behalf by:



G J Currey
Chair

LORD LAWSON OF BEAMISH ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Lord Lawson of Beamish Academy has an effective and appropriate system of control both 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 trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day to day responsibility to the Principal, 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 Lord Lawson of Beamish Academy and Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The Board of Trustees met formally 6 times during the reporting period. The dates are timetabled at the end of the previous academic year. Reports are submitted by the Principal at each meeting giving updates on performance, quality of teaching and learning, student welfare, and financial performance.

Trustees	Meetings attended	Out of possible
A J Logan (Vice chair)	5	5
C P Smith (Chair to 15 September 2021)	5	5
D Horn (Vice chair) (Resigned 22 April 2021)	3	3
E Ovington (Resigned 14 July 2021)	4	5
G J Currey (Chair)	5	5
M Surtees (Resigned 1 July 2021)	3	4
A Fowler (Accounting Officer)	5	5
S Gallagher	5	5
J S Halpin	5	5
J Hooker (Resigned 12 July 2021)	4	4
D Smith (Resigned 6 December 2020)	0	1
C Godfrey	3	5
H McClean	4	5
J Greenwell	4	5
K Thompson	5	5
L Doran (Appointed 25 June 2021)	0	1
K Barron (Appointed 13 July 2021)	1	1
A Chanse (Appointed 26 January 2021)	3	3

The Academy Management Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist in the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's finances, staffing and resources, including proper planning, monitoring and probity.

The Committee met four times during the current year and work has focused on the ongoing impact of the PFI affordability gap and its impact on three-year budget projections, monitoring the yearly budget and aged debtors and creditors, assessing risks, reviewing requests for pay moves and any pay increases and reviewing performance of key contracts.

LORD LAWSON OF BEAMISH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A J Logan (Vice chair)	3	3
C P Smith (Chair to 15 September 2021)	3	3
D Horn (Vice chair) (Resigned 22 April 2021)	2	2
E Ovington (Resigned 14 July 2021)	1	3
G J Currey (Chair)	3	3
A Fowler (Accounting Officer)	3	3
S Gallagher	1	3
J S Halpin	3	3
J Hooker (Resigned 12 July 2021)	3	3
C Godfrey	1	3
H McClean	2	3
J Greenwell	3	3
K Thompson	3	3

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Staffing

Reviewing staffing and the deployment of staff. In particular, this has included a full review of the deployment of 'TLRs' (Teaching and Learning Responsibility payments) across the Academy Trust to ensure that they are awarded to teaching staff who are required and able to take on responsibility and where appropriate accountability measures have been put in place to review performance.

Lettings

We continue to attempt to optimise lettings of the school's facilities to bring in an income however in this period this was restricted as a result of the Covid-19 pandemic.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims, and objectives, to evaluate the likelihood of 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 Lord Lawson of Beamish Academy and during this accounting period two on-site visits took place by our appointed internal auditors Tait Walker.

LORD LAWSON OF BEAMISH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Capacity to handle risk

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

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular reviews by the Academy Management Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The purpose of the internal assurance was to provide the governing body with independent assurance that: -

- The financial responsibilities of the governing body are being properly discharged
- Resources are managed in an efficient, economical and effective manner
- Sound systems of internal financial control are being maintained
- Financial considerations are taken into account in reaching decisions.

During the period of the accounts Tait Walker undertook two on-site Internal Assurance visits

- Visit one – Review of income
- Visit two – Review of pay and staffing

Following each visit a comprehensive report together with a summary of main findings was received. The reports were shared and discussed with members of the Academy Management Committee together with management responses.

Key recommendations included

- An expenses policy is finalised and implemented
- The Board to meet regularly, being at least six times a year in line with the Academy Financial Handbook
- Recommend that meeting minutes include any discussions held in relation to the 'Dear Accounting Officer' letter
- GDPR policy is finalised and implemented as soon as possible

LORD LAWSON OF BEAMISH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of effectiveness

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

- The work of the External Auditor
- The work of the Internal Auditor
- The work of the Principal Finance Officer who has responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of external audits of internal control with all reports being presented to the Academy Management Committee for acceptance.

Approved by order of the board of trustees on 8/12/21 and signed on its behalf by:



G J Currey
Chair



A Fowler
Accounting Officer

LORD LAWSON OF BEAMISH ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Lord Lawson of Beamish Academy, 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 received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



A Fowler
Accounting Officer

8/12/21

LORD LAWSON OF BEAMISH ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Lord Lawson of Beamish Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 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 trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

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

The trustees 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 accounts 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 trustees 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 8/12/21 and signed on its behalf by:


G J Currey
Chair

LORD LAWSON OF BEAMISH ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORD LAWSON OF BEAMISH ACADEMY

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Lord Lawson of Beamish Academy for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

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 'Auditor's responsibilities for the audit of the accounts' 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 accounts in the UK, including the FRC'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 trustees' 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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.

LORD LAWSON OF BEAMISH ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORD LAWSON OF BEAMISH ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions 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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees 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 trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

LORD LAWSON OF BEAMISH ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORD LAWSON OF BEAMISH ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

LORD LAWSON OF BEAMISH ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LORD LAWSON OF BEAMISH ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Angela Ingham FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

20/12/2021

**Chartered Accountants
Statutory Auditor**

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
United Kingdom
TS22 5TB

LORD LAWSON OF BEAMISH ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LORD LAWSON OF BEAMISH ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 7 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lord Lawson of Beamish Academy during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Lord Lawson of Beamish Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Lord Lawson of Beamish Academy 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 Lord Lawson of Beamish Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Lord Lawson of Beamish Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lord Lawson of Beamish Academy's funding agreement with the Secretary of State for Education dated 1 March 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

LORD LAWSON OF BEAMISH ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LORD LAWSON OF BEAMISH ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

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

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated: *20/12/2021*

LORD LAWSON OF BEAMISH ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	293	- 29,453	29,746	31,602
Charitable activities:					
- Funding for educational operations	4	8,830	9,761,262 -	9,770,092	9,123,296
Other trading activities	5	67,115	- -	67,115	111,340
Investments	6	300	- -	300	1,472
Total		76,538	9,761,262 29,453	9,867,253	9,267,710
Expenditure on:					
Raising funds	7	51,058	- -	51,058	93,062
Charitable activities:					
- Educational operations	8	-	9,485,087 63,757	9,548,844	9,060,464
Total	7	51,058	9,485,087 63,757	9,599,902	9,153,526
Net income/(expenditure)		25,480	276,175 (34,304)	267,351	114,184
Transfers between funds	17	-	(7,594) 7,594	-	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	212,000 -	212,000	(1,282,000)
Net movement in funds		25,480	480,581 (26,710)	479,351	(1,167,816)
Reconciliation of funds					
Total funds brought forward		397,280	(1,967,725) 1,095,462	(474,983)	692,833
Total funds carried forward		422,760	(1,487,144) 1,068,752	4,368	(474,983)

LORD LAWSON OF BEAMISH ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £
Income and endowments from:					
Donations and capital grants	3	2,126	-	29,476	31,602
Charitable activities:					
- Funding for educational operations	4	4,215	9,119,081	-	9,123,296
Other trading activities	5	111,340	-	-	111,340
Investments	6	1,472	-	-	1,472
Total		119,153	9,119,081	29,476	9,267,710
Expenditure on:					
Raising funds	7	93,062	-	-	93,062
Charitable activities:					
- Educational operations	8	4,215	8,986,643	69,606	9,060,464
Total	7	97,277	8,986,643	69,606	9,153,526
Net income/(expenditure)		21,876	132,438	(40,130)	114,184
Transfers between funds	17	-	(13,004)	13,004	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(1,282,000)	-	(1,282,000)
Net movement in funds		21,876	(1,162,566)	(27,126)	(1,167,816)
Reconciliation of funds					
Total funds brought forward		375,404	(805,159)	1,122,588	692,833
Total funds carried forward		397,280	(1,967,725)	1,095,462	(474,983)


LORD LAWSON OF BEAMISH ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	12		3,719		5,844
Tangible assets	13		1,006,105		1,043,574
			1,009,824		1,049,418
Current assets					
Debtors	14	343,986		314,771	
Cash at bank and in hand		2,916,728		2,795,697	
		3,260,714		3,110,468	
Current liabilities					
Creditors: amounts falling due within one year	15	(981,170)		(1,445,869)	
Net current assets			2,279,544		1,664,599
Net assets excluding pension liability			3,289,368		2,714,017
Defined benefit pension scheme liability	19		(3,285,000)		(3,189,000)
Total net assets/(liabilities)			4,368		(474,983)
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			1,068,752		1,095,462
- Restricted income funds			1,797,856		1,221,275
- Pension reserve			(3,285,000)		(3,189,000)
Total restricted funds			(418,392)		(872,263)
Unrestricted income funds	17		422,760		397,280
Total funds			4,368		(474,983)

The accounts on pages 24 to 48 were approved by the trustees and authorised for issue on 8/12/21 and are signed on their behalf by:


 G J Currey
 Chair

Company Number 07908404

LORD LAWSON OF BEAMISH ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20		115,441		(82,702)
Cash flows from investing activities					
Dividends, interest and rents from investments		300		1,472	
Capital grants from DfE Group		29,453		29,476	
Purchase of intangible fixed assets		-		(6,375)	
Purchase of tangible fixed assets		(24,163)		(88,266)	
Net cash provided by/(used in) investing activities			5,590		(63,693)
Net increase/(decrease) in cash and cash equivalents in the reporting period			121,031		(146,395)
Cash and cash equivalents at beginning of the year			2,795,697		2,942,092
Cash and cash equivalents at end of the year			2,916,728		2,795,697

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

The reported share of the LGPS deficit in the year has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

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 period for which it is receivable, and any abatement in respect of the period 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £3,000 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 intangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

- Purchased computer software - 3 years straight line

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Assets costing £3,000 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 that require 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 each asset over its expected useful life, as follows:

Building improvements	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings and equipment	5-10 years straight line

Land and buildings have not been transferred to the academy. The footprint of the school building is owned by the PFI company and occupied by the academy on a lease with the local authority. The remaining land is owned by Gateshead Borough Council and leased to the academy for 125 years. Additions to the building are funded by the Academy and have therefore been capitalised.

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 Liabilities

Liabilities 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.

1.8 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.9 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 basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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

1.11 Pensions benefits

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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 net income or expenditure 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.

1.12 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 trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency and Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency, Department for Education and Local Authority.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.13 Private finance initiative

The academy occupies buildings which have been procured by Gateshead Local Authority as a PFI project. The academy pays revenue contributions in respect of facilities management and in respect of lease payments for use of the facilities. The academy does not have any rights or obligations of ownership in respect of these assets, is restricted as to its use of the facilities, and therefore they are not included on the academy's balance sheet. The revenue payment for service (net of affordability gap contribution) and payment for use of the premises are recognised in the SOFA. The commitment to make future payments is disclosed in note 22.

1.14 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 trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Capital grants	-	29,453	29,453	29,476
Other donations	293	-	293	2,126
	<u>293</u>	<u>29,453</u>	<u>29,746</u>	<u>31,602</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	8,561,978	8,561,978	8,020,465
Other DfE / ESFA grants:				
Pupil premium	-	359,535	359,535	359,495
Teachers pension grants	-	282,833	282,833	283,062
Teachers pay grants	-	100,091	100,091	100,173
Rates	-	59,724	59,724	62,513
Others	-	25,650	25,650	37,006
	<u>-</u>	<u>9,389,811</u>	<u>9,389,811</u>	<u>8,862,714</u>
Other government grants				
Local authority grants	-	80,249	80,249	176,461
	<u>-</u>	<u>80,249</u>	<u>80,249</u>	<u>176,461</u>
Covid 19 additional funding (DfE/ESFA)				
Catch-up premium	-	99,920	99,920	-
Other DfE/ESFA Covid 19 funding	-	91,430	91,430	-
	<u>-</u>	<u>191,350</u>	<u>191,350</u>	<u>-</u>
Other incoming resources	<u>8,830</u>	<u>99,852</u>	<u>108,682</u>	<u>84,121</u>
Total funding	<u>8,830</u>	<u>9,761,262</u>	<u>9,770,092</u>	<u>9,123,296</u>

The academy received £100k of funding for catch-up premium and cost incurred in respect of this funding totalled £15k, with the remaining £85k to be spent in 2021/22.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Lettings	4,350	-	4,350	2,188
Catering income	6,129	-	6,129	15,918
School trips	-	-	-	57,042
Other income	56,636	-	56,636	36,192
	<u>67,115</u>	<u>-</u>	<u>67,115</u>	<u>111,340</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	300	-	300	1,472
	<u>300</u>	<u>-</u>	<u>300</u>	<u>1,472</u>

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	8,830	-	42,228	51,058	93,062
Academy's educational operations					
- Direct costs	5,918,080	-	520,223	6,438,303	5,922,378
- Allocated support costs	756,155	1,935,589	418,797	3,110,541	3,138,086
	<u>6,683,065</u>	<u>1,935,589</u>	<u>981,248</u>	<u>9,599,902</u>	<u>9,153,526</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	6,400	6,445
- Other services	3,100	5,400
Operating lease rentals	23,440	20,177
Depreciation of tangible fixed assets	61,632	69,075
Amortisation of intangible fixed assets	2,125	531
Net interest on defined benefit pension liability	53,000	30,000
	<u>149,697</u>	<u>191,073</u>

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Charitable activities

	2021 £	2020 £
All from restricted funds:		
Direct costs		
Educational operations	6,438,303	5,922,378
Support costs		
Educational operations	3,110,541	3,138,086
	<u>9,548,844</u>	<u>9,060,464</u>

	2021 £	2020 £
Analysis of support costs		
Support staff costs	756,155	865,103
Depreciation and amortisation	63,757	69,606
Technology costs	9,199	5,199
Premises costs	1,871,832	1,757,842
Legal costs	4,462	12,732
Other support costs	385,088	408,583
Governance costs	20,048	19,021
	<u>3,110,541</u>	<u>3,138,086</u>

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	4,772,097	4,484,164
Social security costs	494,897	450,534
Pension costs	1,314,711	1,197,378
Staff costs - employees	<u>6,581,705</u>	<u>6,132,076</u>
Agency staff costs	65,052	73,119
Staff restructuring costs	36,308	153,401
	<u>6,683,065</u>	<u>6,358,596</u>
Staff development and other staff costs	21,490	21,779
Total staff expenditure	<u>6,704,555</u>	<u>6,380,375</u>
Staff restructuring costs comprise:		
Redundancy payments	<u>36,308</u>	<u>153,401</u>

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020: £54,268). Individually, the payments relating to last year were: £3,703, £2,794, £13,550, £5,352, £3,851, £5,196, £1,103, £3,717, £2 and £15,000.

Staff numbers

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

	2021 Number	2020 Number
Teachers	94	101
Administration and support	43	33
Management	9	6
	<u>146</u>	<u>140</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	4	3
£100,001 - £110,000	1	1
	<u>5</u>	<u>4</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £741,074 (2020: £533,263).

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mr A Fowler (Principal)

Remuneration £105,001 - £110,000 (2020: £100,001 - £105,000)

Employer's pension contributions £20,001 - £25,000 (2020: £20,001 - £25,000)

Mr M Surtees (Staff trustee)

Remuneration £50,001 - £55,000 (2020: £45,001 - £50,000)

Employer's pension contributions £10,001 - £15,000 (2020: £10,001 - £15,000)

Mrs D Smith (SWAFLO Resigned 6 December 2020)

Remuneration £5,001 - £10,000 (2020: 10,001 - £15,000)

Employer's pension contributions £1 - £5,000 (2020: 1 - £5,000)

Mr A Chanse (staff trustees Appointed 26 January 2021)

Remuneration £10,001 - £15,000 (2020: not a trustee)

Employer's pension contributions £1 - £5,000 (2020: not a trustee)

During the year expenses amounting to £112 (2020: £401) were paid to trustees.

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 (2020: £5,000,000) on any one claim and the cost for the year ended 31 August 2021 was £359 (2020: £359).

12 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2020 and at 31 August 2021	6,375
Amortisation	
At 1 September 2020	531
Charge for year	2,125
At 31 August 2021	2,656
Carrying amount	
At 31 August 2021	3,719
At 31 August 2020	5,844

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets

	Building improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2020	1,043,984	622,691	984,968	2,651,643
Additions	-	24,163	-	24,163
At 31 August 2021	1,043,984	646,854	984,968	2,675,806
Depreciation				
At 1 September 2020	118,212	549,017	940,840	1,608,069
Charge for the year	19,565	29,422	12,645	61,632
At 31 August 2021	137,777	578,439	953,485	1,669,701
Net book value				
At 31 August 2021	906,207	68,415	31,483	1,006,105
At 31 August 2020	925,772	73,674	44,128	1,043,574

14 Debtors

	2021 £	2020 £
Trade debtors	1,599	145
VAT recoverable	129,443	149,242
Prepayments and accrued income	212,944	165,384
	343,986	314,771

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	89,345	5,522
Other taxation and social security	130,192	114,807
Other creditors	184,265	167,265
Accruals and deferred income	577,368	1,158,275
	981,170	1,445,869

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Deferred income

	2021	2020
	£	£
Deferred income is included within:		
Creditors due within one year	33,866	35,534
	<u> </u>	<u> </u>
Deferred income at 1 September 2020	35,534	16,737
Released from previous years	(35,534)	(16,737)
Resources deferred in the year	33,866	35,534
	<u> </u>	<u> </u>
Deferred income at 31 August 2021	33,866	35,534
	<u> </u>	<u> </u>

Deferred income consists of rates relief received relating to the following year.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	1,172,034	8,561,978	(8,022,154)	(7,594)	1,704,264
Pupil premium	-	359,535	(359,535)	-	-
Teachers pension grants	-	282,833	(282,833)	-	-
Teachers pay grants	-	100,091	(100,091)	-	-
Rates	-	59,724	(59,724)	-	-
Other DfE / ESFA grants	-	25,650	(25,650)	-	-
Catch-up premium	-	99,920	(14,920)	-	85,000
Other DfE/ESFA Covid 19 funding	-	91,430	(91,430)	-	-
Other government grants	-	80,249	(80,249)	-	-
Other restricted funds	49,241	99,852	(140,501)	-	8,592
Pension reserve	(3,189,000)	-	(308,000)	212,000	(3,285,000)
	<u>(1,967,725)</u>	<u>9,761,262</u>	<u>(9,485,087)</u>	<u>204,406</u>	<u>(1,487,144)</u>
Restricted fixed asset funds					
DfE group capital grants	696,361	29,453	(26,013)	(16,569)	683,232
Capital expenditure from GAG	399,101	-	(37,744)	24,163	385,520
	<u>1,095,462</u>	<u>29,453</u>	<u>(63,757)</u>	<u>7,594</u>	<u>1,068,752</u>
Total restricted funds	<u>(872,263)</u>	<u>9,790,715</u>	<u>(9,548,844)</u>	<u>212,000</u>	<u>(418,392)</u>
Unrestricted funds					
General funds	<u>397,280</u>	<u>76,538</u>	<u>(51,058)</u>	<u>-</u>	<u>422,760</u>
Total funds	<u>(474,983)</u>	<u>9,867,253</u>	<u>(9,599,902)</u>	<u>212,000</u>	<u>4,368</u>

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE grants include free school meals funding.

Other government grants includes funding for pupils with special educational needs and pupil intake funding.

Other restricted grants include One Vision and British Council. Unspent funds have been carried forward to next year.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

Capital grants include devolved formula capital grant which has been spent on capital expenditure.

Capital expenditure in the year has also been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose at the discretion of the academy.

The academy's restricted general and unrestricted funds were £2,220,616 at 31 August 2021.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	866,187	8,020,465	(7,701,614)	(13,004)	1,172,034
Pupil premium	-	359,495	(359,495)	-	-
Teachers pension grants	-	283,062	(283,062)	-	-
Teachers pay grants	-	100,173	(100,173)	-	-
Rates	-	62,513	(62,513)	-	-
Other DfE / ESFA grants	-	37,006	(37,006)	-	-
Other government grants	-	176,461	(176,461)	-	-
Other restricted funds	6,654	79,906	(37,319)	-	49,241
Pension reserve	(1,678,000)	-	(229,000)	(1,282,000)	(3,189,000)
	<u>(805,159)</u>	<u>9,119,081</u>	<u>(8,986,643)</u>	<u>(1,295,004)</u>	<u>(1,967,725)</u>
Restricted fixed asset funds					
DfE group capital grants	695,896	29,476	(29,011)	-	696,361
Capital expenditure from GAG	426,692	-	(40,595)	13,004	399,101
	<u>1,122,588</u>	<u>29,476</u>	<u>(69,606)</u>	<u>13,004</u>	<u>1,095,462</u>
Total restricted funds	<u>317,429</u>	<u>9,148,557</u>	<u>(9,056,249)</u>	<u>(1,282,000)</u>	<u>(872,263)</u>
Unrestricted funds					
General funds	<u>375,404</u>	<u>119,153</u>	<u>(97,277)</u>	<u>-</u>	<u>397,280</u>
Total funds	<u>692,833</u>	<u>9,267,710</u>	<u>(9,153,526)</u>	<u>(1,282,000)</u>	<u>(474,983)</u>

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Intangible fixed assets	-	-	3,719	3,719
Tangible fixed assets	-	-	1,006,105	1,006,105
Current assets	422,760	2,779,026	58,928	3,260,714
Creditors falling due within one year	-	(981,170)	-	(981,170)
Defined benefit pension liability	-	(3,285,000)	-	(3,285,000)
Total net assets	<u>422,760</u>	<u>(1,487,144)</u>	<u>1,068,752</u>	<u>4,368</u>

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Intangible fixed assets	-	-	5,844	5,844
Tangible fixed assets	-	-	1,043,574	1,043,574
Current assets	397,280	2,667,144	46,044	3,110,468
Creditors falling due within one year	-	(1,445,869)	-	(1,445,869)
Defined benefit pension liability	-	(3,189,000)	-	(3,189,000)
Total net assets	397,280	(1,967,725)	1,095,462	(474,983)

19 Pension and similar obligations

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. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £126,272 (2020: £112,894) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- 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. The 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 the TPS in the period amounted to £894,860 (2020: £813,449).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.9% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £170,000 (2020: £184,000).

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.

Total contributions made	2021 £	2020 £
Employer's contributions	170,000	184,000
Employees' contributions	54,000	51,000
Total contributions	224,000	235,000
Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	4.1	3.8
Rate of increase for pensions in payment/inflation	2.6	2.3
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.6	2.3

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

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

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

Scheme liabilities would have been affected by changes in assumptions as follows:

	2021 £	2020 £
Discount rate + 0.1%	8,522,000	7,326,000
Discount rate - 0.1%	8,446,000	7,709,000
Mortality assumption + 1 year	8,166,000	7,243,000
Mortality assumption - 1 year	8,802,000	7,785,000
CPI rate + 0.1%	8,658,000	7,672,000
CPI rate - 0.1%	8,320,000	7,356,000

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

	2021 Fair value £	2020 Fair value £
Equities	2,888,420	2,314,000
Government bonds	109,095	104,000
Corporate bonds	1,044,195	990,000
Cash	207,800	82,000
Property	415,600	398,000
Other assets	529,890	437,000
Total market value of assets	5,195,000	4,325,000

The actual return on scheme assets was £834,000 (2020: £34,000).

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	425,000	352,000
Past service cost	-	31,000
Interest income	(74,000)	(80,000)
Interest cost	127,000	110,000
Total operating charge	478,000	413,000
Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	7,514,000	5,833,000
Current service cost	425,000	352,000
Interest cost	127,000	110,000
Employee contributions	54,000	51,000
Actuarial loss	548,000	1,236,000
Benefits paid	(188,000)	(99,000)
Past service cost	-	31,000
At 31 August 2021	8,480,000	7,514,000
Changes in the fair value of the academy trust's share of scheme assets	2021 £	2020 £
At 1 September 2020	4,325,000	4,155,000
Interest income	74,000	80,000
Actuarial (gain)/loss	760,000	(46,000)
Employer contributions	170,000	184,000
Employee contributions	54,000	51,000
Benefits paid	(188,000)	(99,000)
At 31 August 2021	5,195,000	4,325,000

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	267,351	114,185
Adjusted for:		
Capital grants from DfE and other capital income	(29,453)	(29,476)
Investment income receivable	(300)	(1,472)
Defined benefit pension costs less contributions payable	255,000	199,000
Defined benefit pension scheme finance cost	53,000	30,000
Depreciation of tangible fixed assets	61,632	69,075
Amortisation of intangible fixed assets	2,125	531
(Increase)/decrease in debtors	(29,215)	7,686
(Decrease) in creditors	(464,699)	(472,231)
Net cash provided by/(used in) operating activities	115,441	(82,702)

21 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	2,795,697	121,031	2,916,728

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

22 Commitments under operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	19,211	15,876
Amounts due in two and five years	30,537	44,844
	<u>49,748</u>	<u>60,720</u>

At 31 August 2021 the total future minimum payments under non-cancellable PFI contracts were as follows:

	2021 £	2020 £
Amounts due within one year	1,432,582	1,432,450
Amounts due in two and five years	5,730,327	5,729,800
Amounts due after five years	7,162,909	8,594,700
	<u>14,325,818</u>	<u>15,756,950</u>

23 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No other related party transactions took place in the period of account other than certain trustees' remuneration already disclosed in note 10.

24 Members' liability

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

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the trust brought forward £54,371 (2020: £73,104) from previous years, received £13,575 (2020: £19,301) and disbursed £9,953 (2020: £38,034) from the fund. An amount of £57,993 (2020: £54,371) is included in other creditors relating to undistributed funds that is repayable to ESFA.