

Company registration number 07908404 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

# **LORD LAWSON OF BEAMISH ACADEMY**

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# LORD LAWSON OF BEAMISH ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

A H Leaf  
C Matthias  
D Ramshaw (Resigned 17 March 2022)  
J Kelly  
M Turner (Resigned 30/06/2022)

### Trustees

A J Logan  
C P Smith  
G J Currey (Chair)  
A Fowler (Accounting Officer)  
S Gallagher (Resigned 10 July 2022)  
J S Halpin  
C Godfrey (Resigned 1 July 2022)  
H McClean  
J Greenwell (Resigned 1 September 2022)  
K Thompson  
L Doran  
K Barron  
A Chanse (Resigned 15 December 2021)  
C Gibson (Appointed 20 December 2021)  
A R Mears (Appointed 20 December 2021)  
D Bell (Appointed 28 March 2022)

### Senior management team

- Principal	Andrew Fowler
- Deputy Principal	Joe Dicocco
- Deputy Principal	Ian Cooper (Appointed 25 April 2022)
- Assistant Principal	Sue Nellist
- Assistant Principal	Kate Kendall
- Assistant Principal	Alexander Rayner
- Assistant Principal	Janey Stubbs (Resigned 31 August 2022)
- Assistant Principal	Louise Ford
- Assistant Principal	Paul Walsh
- Business Manager	James Pedlingham

### Company secretary

S Wakefield

### Company registration number

07908404 (England and Wales)

### Registered office

Birtley Lane  
Birtley  
County Durham  
DH3 2LP  
United Kingdom

### Independent auditor

Azets Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB  
United Kingdom

# **LORD LAWSON OF BEAMISH ACADEMY**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **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 2022

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic 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 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 2022*

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#### 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. This includes an annual safeguarding refresher course, provided to all academy staff.

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 2022

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#### 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

5,200

Total pay bill

6,704,555

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

1000%

#### 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 2022

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#### 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 2021-22

During the 2021-22 academic year, the academy continued to work on its principal objectives, as outlined in the school development plan. These objectives were based on the final year of the academy's participation in the Opportunity North East (ONE) School Vision Programme, funded by the Department for Education (DfE).

The overall measurable aims for the ONE Vision programme were 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 score of zero or better means that the average progress of students in the school at the end of Year 11, compared with the progress expected from their starting points on entering the school, is at least equal to the national average. This is a quantitative and statistical measure. A graded judgement on the school's effectiveness by Ofsted inspectors is a qualitative judgement based on criteria outlined in the Ofsted School Inspection Framework. In order to achieve these aims, ONE provided a funded programme of support and advice to member schools. Lord Lawson of Beamish Academy chose to be partnered by Cardinal Hume Catholic School, part of the Bishop Wilkinson Catholic Education Trust, under the leadership of its Chief Executive, Nick Hurn, who is also a National Leader of Education. The ONE programme was initially funded for two years, but extended owing to the COVID-19 pandemic, into 2021-22.

The focus of the school development plan was in five areas, the first four of which correspond to areas in the Ofsted School Inspection Framework (2022):

- Improve the quality of education, in terms of teaching and learning, the curriculum, and outcomes for students
- Improve students' behaviour, attitudes and self-regulation
- Improve the provision and outcomes for students' personal development
- Improve the effectiveness of leadership and management at all levels, including governance
- Improve finances: the efficiency of curriculum and teaching time, and the value-for-money of contracts

In 2021-22, the academy suffered no further closures owing to the COVID-19 pandemic. COVID-related absence, however, continued to affect staffing levels and student attendance. It became possible to observe and to start to address gaps in learning, caused by different patterns of student engagement and attendance in previous years. Recognising these learning gaps, the DfE provided 'catch-up' funding and also funded a National Tutoring Programme. The academy has been held accountable for the use of 'catch-up' funding, with any surplus required to be returned to the DfE in the Autumn term 2022. The National Tutoring Programme funded external tutors to help students close some of their learning gaps. Although this scheme may have worked well in some parts of the country, it was less successful in the north east, where the supply of suitable tutors was very restricted. The academy's participation in this tutoring programme was therefore limited. Attempts were made with other local schools to launch a mutual tutoring programme, using each school's own teachers to tutor students from neighbouring schools via online platforms; these attempts were not met with success. Instead, the academy created its own tutoring scheme, using its own teachers, partly funded by additional money from the DfE.



# **LORD LAWSON OF BEAMISH ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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The challenges of closing learning gaps led to the creation of a comprehensive programme to help students in Year 11 prepare for their summer examinations. The success of this support is reported below, in the discussion of key performance indicators. Other initiatives to improve the quality of education included the further development of detailed schemes of learning in all subjects, identifying 'fundamental knowledge and skills' required to be learned in each year for each subject. The sequencing of these schemes and the fine-tuning of the teaching and learning approach are among the many successes in improving the quality of education in the year under review.

Staff training took place in adapting teaching to the needs of students with special educational needs and/or disabilities (SEND). This training involved teaching assistants working alongside teachers to tailor and adapt learning for specific needs. Simultaneously, a review of the SEND department led to recommendations to develop this department further, including additional levels of staffing and leadership. These recommendations will be implemented more fully in the following academic year.

The school had been accepted onto the DfE's Behaviour Hub scheme in the summer of 2021. Following a national launch event in September 2021, there was a period of diagnosis and evaluation, including visits to other schools, in conjunction with the school's partner school, Carmel College in Darlington, part of the Bishop Hogarth Catholic Education Trust. A system of ten 'Lines in the Sand' was developed, and these were launched through a professional development day in January 2022. Staff reception was very positive to this new system for ensuring high expectations of behaviour for learning, and levels of uptake and consistency have been high, assisted by regular reminders and refresher training. By the end of the academic year, student behaviour and self-regulation had improved dramatically, as shown by school behaviour metrics data and a comparison of staff views before and after the initiatives were implemented.

The appointment of a second Deputy Principal (Pastoral Care and Inclusion) in April 2022 brought energy and focus to improvements in behaviour and attitudes, attendance and personal development, as well as improved strategic direction to the SEND department.

Initiatives to improve students' personal development were launched during the year. Following the years of the pandemic, when extra-curricular activities were scaled back substantially, a reinvigorated programme of opportunities for students was planned. Sports teams once again entered local and regional competitions, with a good degree of success, particularly for some of the girls' teams, and the school staged an ambitious and highly successful production of *Les Miserables* in October 2021. Opportunities for student leadership increased during the year, including sixth formers acting as reading partners for students in Year 7, which brought about an increase in reading age averaging over 20 months per student. The Personal Development curriculum has been developed and adapted to the school's local context, so that it is responsive to the needs of students at every level. This curriculum includes provision for British Values and the Relationships and Sex Education curriculum.

The effectiveness of leadership at all levels has been improved, through the more systematic use of line management and accountability. A new system of appraisal was introduced, involving teaching staff in identifying and determining to a greater extent their own professional development goals. The effect has been to improve the motivation and engagement of staff in appraisal. This system will be further developed in future years.

The academy's finances remained under close scrutiny and control, and funds were made available for additional personal development opportunities for students, including the funding of places for disadvantaged students on school trips. The school's first foreign language trip (to Germany) since the pandemic took place in the summer of 2022, subsidised by COVID-19 funds. In other areas of finance and administration, careful monitoring and budgeting ensured value for money. Following the invasion of Ukraine by Russian military forces in early 2022, energy costs began to rise sharply, and the availability and cost of other commodities also became more challenging. The academy has adequate reserves at the end of the current financial year to absorb the effect of these price rises, which are, however, likely to reduce levels of reserves in future years.

#### 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.

# LORD LAWSON OF BEAMISH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2022*

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### 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 has continued to improve at a rapid pace. A monitoring visit from one of Her Majesty's Inspectors from Ofsted in October 2021 found that, "Leaders and those responsible for governance are taking effective action in order for the school to become a good school." The inspector identified four specific areas for further improvement, focused on the needs of students with SEND and those deemed disadvantaged, the behaviour and self-regulation of students, and the provision of additional opportunities for students to make a positive contribution to the life of the school. All these areas were addressed during the academic year.

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." This vision and the academy's values of Trust and Respect, Courage and Ambition, continue to inspire the work of the Trust, and they have become more evident throughout the academy during the course of 2021-22.

#### Key performance indicators

Public examinations were once again held in 2022, after two years of centre-assessed and teacher-assessed grades. After an absence of nationally validated results, comparisons and published grades, the results of examination taken in 2022 were once again made available nationally. Grades are not directly comparable with the last year of public examinations, 2019, owing to some differences in the specifications and assessments. However, it is very clear that students at the academy performed very well indeed in 2022, at both 16+ and 18+.

#### GCSE attainment and progress:

Average Attainment 8 score: 50.2

Average Progress 8 score: -0.07

Performance of Disadvantaged; comparison of males and females

Average Attainment 8 score (disadvantaged students): 37.2

Average Progress 8 score (disadvantaged students): -0.84

Average Attainment 8 score (male students): 48.0

Average Progress 8 score (male students): -0.29

Average Attainment 8 score (female students): 52.2

Average Progress 8 score (female students): 0.14

#### Brief subject comparisons:

High performing subjects (in terms of progress) included Drama, Graphic Design, German, Construction, Music, Photography, History, Geography, Mathematics.

Subjects where improvement is needed (in terms of progress) include Business Studies (BTEC), ICT, PE (GCSE), separate sciences, and Computer Science.

#### A level attainment:

Average point score: 33.9 (C+)

Average point score (A Level only): 36.1 (B-)

Average point score (Applied general only): 26.4 (M=)

Best 3 A levels: 35.1 (B-)

# **LORD LAWSON OF BEAMISH ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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#### **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. The Board of Trustees has taken action to ensure that the academy's finances are sustainable for the foreseeable future.

The Board of Trustees, working with the academy's senior leaders, take a strategic approach to financial stability and the continued viability of the academy. These strategic moves include improvements to the school's academic effectiveness and an improvement in the sustainability of the school's admissions numbers; strategic financial management of the school's budget; and rigorous curriculum-led financial planning. These initiatives have resulted in improvements in the academy's efficiency and effectiveness.

Since the appointment of the current Principal in June 2019, rigorous and significant plans have been developed to improve the quality of teaching and learning across the academy. Without improvements in the quality of teaching and learning, the academy was in danger of losing the confidence of parents and its community. The academy's plans included replacement and recruitment of appropriate senior and middle leaders; staff development; improvements to line management of academic departments; appropriate support for students with special educational needs and/or disabilities (SEND); and tailored academic and pastoral support for students as they approach public examinations.

The academy has been supported by the Department for Education through its membership in the Opportunity North East Schools Vision programme and the national Behaviour Hub programme. Membership of these programmes brought sustained support from outstanding schools in the region. Despite the COVID-19 pandemic, these plans have delivered measurable and sustained improvements in behaviour, teaching and learning and middle leadership. The resulting improvements in examination results have moved the academy's overall Progress 8 measure up more than half a grade on average over three years, to a level equal to the national average – and above the local authority average – in 2022. This marked improvement during the year under review for these accounts was noted and commended by a monitoring visit from one of Her Majesty's Inspectors in October 2021, who judged that academy leaders were taking appropriate action for the school to be judged a Good school. Ofsted inspectors, in their graded inspection in November 2022, also commented on the effectiveness of leaders' actions, resulting in the school being upgraded in all areas of its inspection [result pending publication at the time of writing]. The improvement in the Ofsted grading is expected by the local authority and the Board of Trustees to have a significantly positive effect on the academy's popularity with parents in the region, leading to an increase in numbers wishing to attend. The academy's student numbers, and therefore its income, are judged by the Trustees to be sustainable. Improved academic attainment at age 16 has also led to increased sixth form numbers in 2021 and 2022, further improving the sustainability of the academy's position.

In 2020, a rigorous programme of Curriculum-Led Financial Planning was introduced. This involved senior leaders and trustees reviewing the school's curriculum plan, including staffing levels. Significant changes have been made in the number and size of teaching groups, in order to improve the efficiency of the academy's staffing. Since expenditure on staffing constitutes the academy's largest expense, efficiencies in this area have significantly improved the academy's overall efficiency and viability. The academy has been able to add to its reserves, providing financial security against possible inflationary rises and increases in the cost base in the future. Since 2021, with the arrival of a new Business Manager and a new finance officer, both of whom brought considerable relevant experience, the academy has also improved its financial systems, adopting new accounting software and bringing in a rigorous programme of quarterly review and reforecasting. These initiatives have improved the quality of information provided to the Board of Trustees. For these reasons, the Board of Trustees believes it is appropriate to adopt the going concern basis in preparing its financial statements.

# **LORD LAWSON OF BEAMISH ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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#### **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 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 2022.

During the period ending 31 August 2022 total movement in general and unrestricted reserves was £94k. 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.

A surplus budget was approved by Trustees in July 2021 for the financial year 2021/22 which would see the Academy aim to achieve a surplus of £22k. Throughout the year the Academy Management Committee approved expenditure for a number of IT related capital purchases. These included Clevertouch interactive panels for all teaching spaces, new WiFi throughout the academy and replacement staff and student desktop computers. This surplus projection would add to the Academy's reserves. The Academy Trust will hold reserves at a level in excess of its Reserves Policy until at least the end of 2023/24. The Board of Trustees will keep matters under constant review.

#### 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 2022 balance of monies in the bank is £3,102k. General and Unrestricted reserves were £2,315k.

The reserve policy will be reviewed by Trustees in 2022-23.

#### Investment policy

The Academy does not currently commit to any investments due to its current financial position.

#### 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.

In 2021/22 the Academy implemented a new risk management system provided by GCROne Education. The Academy's risk plan is divided into two sections – matters relating to the Academy Management Committee and those relating to the Student Progress Committee. The risk plans are presented and approved at each committee meeting and a consolidated report is presented to the Full Governing Body meeting.

#### **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.

# LORD LAWSON OF BEAMISH ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **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**

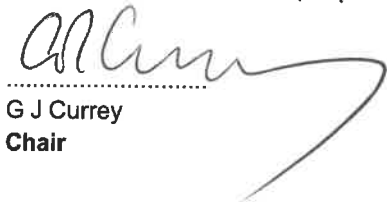
The Academy and its trustees do not act as the Custodian of any other Charity.

### **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 07/12/22 and signed on its behalf by:

  
.....  
G J Currey  
Chair

# LORD LAWSON OF BEAMISH ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### 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 4 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.

In this academic and financial year the full governing body met four times, the Academy Management Committee met four times and the Student Progress met three times.

Trustees	Meetings attended	Out of possible
A J Logan	4	4
C P Smith	1	4
G J Currey (Chair)	4	4
A Fowler (Accounting Officer)	4	4
S Gallagher (Resigned 10 July 2022)	3	3
J S Halpin	3	4
C Godfrey (Resigned 1 July 2022)	1	3
H McClean	4	4
J Greenwell (Resigned 1 September 2022)	3	4
K Thompson	4	4
L Doran	4	4
K Barron	3	4
A Chanse (Resigned 15 December 2021)	2	4
C Gibson (Appointed 20 December 2021)	1	2
A R Mears (Appointed 20 December 2021)	1	2
D Bell (Appointed 28 March 2022)	1	4

# LORD LAWSON OF BEAMISH ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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 budget 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. Monthly management accounts are distributed to all Trustees on a monthly basis.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
G Currey	4	4
L Doran (Chair)	3	4
J Halpin	2	4
A Logan	3	4
C Smith	0	4
K Thompson	3	4
A Mears	1	2
A Fowler (Principal)	4	4
H McClean	1	4
J Greenwell	2	4

### Conflicts of interest

A fully signed conflicts of interest is compiled at the first full governing body meeting of the year in September. This is a standing item at every Trustee and committee meeting whereby it is checked and updated if required. The Trustees review and approved any declared conflicts.

### Governance reviews

A specific governance self-assessment did not take place in the financial year. A number of areas were reviewed as part of the internal scrutiny work. A self assessment review will take place in 2022-23.

### 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

The 2021-22 budget was approved following extensive curriculum led financial planning. The staffing allocation was fundamentally based on curriculum design and student numbers. During the year the role of Deputy Principal – Pastoral and Inclusion was appointed.

#### Lettings

We continue to attempt to optimise lettings of the school's facilities to bring in an income.

# **LORD LAWSON OF BEAMISH ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **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 three on-site visits took place by our appointed internal auditors Tait Walker.

### **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 2021 to 31 August 2022 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 three on-site internal assurance visits

- Visit one – Review of income
- Visit two – Review of pay and staffing
- Visit three – Review of purchase and sales ledger and VAT

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.

During the year Azets acquired Tait Walker leading to the need to seek and appoint a new internal assurance company for 2022-23.

Key recommendations included

- An awards and prizes or other benefits policy is finalised and implemented
- A formal risk register is adopted and presented to committee meetings
- Recommend that meeting minutes include any discussions held in relation to the 'Dear Accounting Officer' letter
- Review of the website and how information is shared and kept up to date



# **LORD LAWSON OF BEAMISH ACADEMY**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **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 7.12.2022 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 2022***

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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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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

*Andrew J. Fowler*

A Fowler

**Accounting Officer**

*7/12/2022*

# LORD LAWSON OF BEAMISH ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2022**

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 2021 to 2022 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 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 07/12/22 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 2022***

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### **Opinion**

We have audited the accounts of Lord Lawson of Beamish Academy for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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 2021 to 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2021 to 2022.

### **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 other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **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 2022**

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### **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 2022***

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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 2021 to 2022 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 is available on the Financial Reporting Council's website at: <https://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 2022**

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### **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**

14/12/2022

**Chartered Accountants**  
**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
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 2022***

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In accordance with the terms of our engagement letter dated 8 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lord Lawson of Beamish Academy during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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



# **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 2022**

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



**Reporting Accountant**  
Azets Audit Services

Dated: 14/12/2022

# LORD LAWSON OF BEAMISH ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	1,322	-	29,301	30,623	29,746
Charitable activities:						
- Funding for educational operations	6	-	9,857,877	-	9,857,877	9,770,092
Other trading activities	4	100,230	-	-	100,230	67,115
Investments	5	390	-	-	390	300
<b>Total</b>		<b>101,942</b>	<b>9,857,877</b>	<b>29,301</b>	<b>9,989,120</b>	<b>9,867,253</b>
<b>Expenditure on:</b>						
Raising funds	7	50,849	-	-	50,849	51,058
Charitable activities:						
- Educational operations	8	-	9,970,180	181,177	10,151,357	9,548,844
<b>Total</b>	<b>7</b>	<b>50,849</b>	<b>9,970,180</b>	<b>181,177</b>	<b>10,202,206</b>	<b>9,599,902</b>
<b>Net income/(expenditure)</b>		<b>51,093</b>	<b>(112,303)</b>	<b>(151,876)</b>	<b>(213,086)</b>	<b>267,351</b>
Transfers between funds	17	-	(254,540)	254,540	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	19	-	3,788,000	-	3,788,000	212,000
Asset not recognised	13	-	(93,000)	-	(93,000)	-
<b>Net movement in funds</b>		<b>51,093</b>	<b>3,328,157</b>	<b>102,664</b>	<b>3,481,914</b>	<b>479,351</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		422,760	(1,487,144)	1,068,752	4,368	(474,983)
Total funds carried forward		473,853	1,841,013	1,171,416	3,486,282	4,368

# LORD LAWSON OF BEAMISH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2022

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

# LORD LAWSON OF BEAMISH ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	1,594	3,719
Tangible assets	13	1,159,593	1,006,105
		1,161,187	1,009,824
<b>Current assets</b>			
Debtors	14	437,591	343,986
Cash at bank and in hand		3,102,286	2,916,728
		3,539,877	3,260,714
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(1,214,782)	(981,170)
<b>Net current assets</b>		2,325,095	2,279,544
<b>Net assets excluding pension liability</b>		3,486,282	3,289,368
Defined benefit pension scheme liability	19	-	(3,285,000)
<b>Total net assets</b>		3,486,282	4,368
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		1,171,416	1,068,752
- Restricted income funds		1,841,013	1,797,856
- Pension reserve		-	(3,285,000)
<b>Total restricted funds</b>		3,012,429	(418,392)
<b>Unrestricted income funds</b>	17	473,853	422,760
<b>Total funds</b>		3,486,282	4,368

The accounts on pages 24 to 48 were approved by the trustees and authorised for issue on 7/12/22 and are signed on their behalf by:

G J Currey  
Chair

Company registration number 07908404

# LORD LAWSON OF BEAMISH ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20		488,407		115,441
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		390		300	
Capital grants from DfE Group		29,301		29,453	
Purchase of tangible fixed assets		(332,540)		(24,163)	
<b>Net cash (used in)/provided by investing activities</b>			(302,849)		5,590
<b>Net increase in cash and cash equivalents in the reporting period</b>			185,558		121,031
Cash and cash equivalents at beginning of the year			2,916,728		2,795,697
<b>Cash and cash equivalents at end of the year</b>			3,102,286		2,916,728

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 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 2021 to 2022 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.

###### 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.

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 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 2022

### 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 2022

### 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 2022

### 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 23.

#### 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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### **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.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	29,301	29,301	29,453
Other donations	1,322	-	1,322	293
	<u>1,322</u>	<u>29,301</u>	<u>30,623</u>	<u>29,746</u>

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Lettings	9,943	-	9,943	4,350
Catering income	27,603	-	27,603	6,129
School trips	29,432	-	29,432	-
Other income	33,252	-	33,252	56,636
	<u>100,230</u>	<u>-</u>	<u>100,230</u>	<u>67,115</u>

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	390	-	390	300
	<u>390</u>	<u>-</u>	<u>390</u>	<u>300</u>

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 6 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	9,042,719	9,042,719	8,561,978
Other DfE/ESFA grants:				
- Pupil premium	-	359,924	359,924	359,535
- Supplementary grant	-	93,616	93,616	-
- Rates	-	55,839	55,839	59,724
- Teachers pension grants	-	36,505	36,505	282,833
- Teachers pay grants	-	12,918	12,918	100,091
- Others	-	30,595	30,595	25,650
	-	9,632,116	9,632,116	9,389,811
<b>Other government grants</b>				
Local authority grants	-	87,415	87,415	80,249
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Other DfE/ESFA COVID-19 funding	-	88,769	88,769	99,920
<b>Non-DfE/ESFA</b>				
Other COVID-19 funding	-	-	-	91,430
	-	88,769	88,769	191,350
Other incoming resources	-	49,577	49,577	108,682
<b>Total funding</b>	-	9,857,877	9,857,877	9,770,092

### 7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2022 £	Total 2021 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	-	-	50,849	50,849	51,058
Academy's educational operations					
- Direct costs	6,101,569	-	518,490	6,620,059	6,438,303
- Allocated support costs	986,954	2,119,764	424,580	3,531,298	3,110,541
	7,088,523	2,119,764	993,919	10,202,206	9,599,902

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 7 Expenditure

(Continued)

Net income/(expenditure) for the year includes:	2022	2021
	£	£
Fees payable to auditor for:		
- Audit	7,100	6,400
- Other services	3,350	3,100
Operating lease rentals	21,986	23,440
Depreciation of tangible fixed assets	179,052	61,632
Amortisation of intangible fixed assets	2,125	2,125
Net interest on defined benefit pension liability	54,000	53,000

### 8 Charitable activities

	2022	2021
	£	£
All from restricted funds:		
<b>Direct costs</b>		
Educational operations	6,620,059	6,438,303
<b>Support costs</b>		
Educational operations	3,531,298	3,110,541
	10,151,357	9,548,844

	2022	2021
	£	£
<b>Analysis of support costs</b>		
Support staff costs	986,954	756,155
Depreciation and amortisation	181,177	63,757
Technology costs	7,396	9,199
Premises costs	1,938,587	1,871,832
Legal costs	13,902	4,462
Other support costs	380,002	385,088
Governance costs	23,280	20,048
	3,531,298	3,110,541

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	4,981,848	4,772,097
Social security costs	536,666	494,897
Pension costs	1,449,613	1,314,711
Staff costs - employees	6,968,127	6,581,705
Agency staff costs	99,596	65,052
Staff restructuring costs	20,800	36,308
Staff development and other staff costs	7,088,523	6,683,065
	22,526	21,490
Total staff expenditure	7,111,049	6,704,555
Staff restructuring costs comprise:		
Redundancy payments	20,800	36,308

#### Special staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,180 (2021: £Nil). The payments related to one staff member.

#### Staff numbers

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

	2022 Number	2021 Number
Teachers	100	94
Administration and support	38	43
Management	8	9
	146	146

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 9 Staff

(Continued)

#### Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	5	4
£70,001 - £80,000	1	-
£100,001 - £110,000	1	1
	<u>7</u>	<u>5</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 £860,448 (2021: £741,074).

### 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 (2021: £105,001 - £110,000)

Employer's pension contributions £25,001 - £30,000 (2021: £20,001 - £25,000)

Mr M Surtees (Staff trustee) (Resigned 01/07/2021)

Remuneration £Nil (2021: £50,001 - £55,000)

Employer's pension contributions £Nil (2021: £10,001 - £15,000)

Mr A Chanse (Staff trustee) (Resigned 15/12/2021)

Remuneration £15,001 - £20,000 (2021: £10,001 - £15,000)

Employer's pension contributions £1 - £5,000 (2021: £1 - £5,000)

Miss K Barron (Staff trustee) (Appointed 13/07/2021)

Remuneration £30,000 - £35,000 (2021: £Nil)

Employer's pension contributions £5,001 - £10,000 (2021: Nil)

Mrs D Bell (Staff trustee) (Appointed 28/03/2022)

Remuneration £10,001 - £15,000 (2021: Nil)

Employer's pension contributions £1 - £5,000 (2021: Nil)

During the year expenses amounting to £214 (2021: £112) were paid to trustees.

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

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 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 (2021: £5,000,000) on any one claim and the cost for the year ended 31 August 2022 was £359 (2021: £359).

### 12 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 September 2021 and at 31 August 2022	6,375
<b>Amortisation</b>	
At 1 September 2021	2,656
Charge for year	2,125
At 31 August 2022	4,781
<b>Carrying amount</b>	
At 31 August 2022	1,594
At 31 August 2021	3,719

### 13 Tangible fixed assets

	Building improvements £	Computer equipment £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 September 2021	1,043,984	646,854	984,968	2,675,806
Additions	-	332,540	-	332,540
At 31 August 2022	1,043,984	979,394	984,968	3,008,346
<b>Depreciation</b>				
At 1 September 2021	137,777	578,439	953,485	1,669,701
Charge for the year	19,566	148,954	10,532	179,052
At 31 August 2022	157,343	727,393	964,017	1,848,753
<b>Net book value</b>				
At 31 August 2022	886,641	252,001	20,951	1,159,593
At 31 August 2021	906,207	68,415	31,483	1,006,105



# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 14 Debtors

	2022 £	2021 £
Trade debtors	1,274	1,599
VAT recoverable	207,476	129,443
Prepayments and accrued income	228,841	212,944
	<u>437,591</u>	<u>343,986</u>

### 15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	17,689	89,345
Other taxation and social security	141,864	130,192
Other creditors	224,109	184,265
Accruals and deferred income	831,120	577,368
	<u>1,214,782</u>	<u>981,170</u>

### 16 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	32,440	33,866
Deferred income at 1 September 2021	33,866	35,534
Released from previous years	(33,866)	(35,534)
Resources deferred in the year	32,440	33,866
<b>Deferred income at 31 August 2022</b>	<u>32,440</u>	<u>33,866</u>

Deferred income relates to trips due to take place in the next academic year. The balance in the previous year related to 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 2022

### 17 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,704,264	9,042,719	(8,741,102)	(212,838)	1,793,043
Pupil premium	-	359,924	(359,924)	-	-
Catch-up premium	85,000	-	(37,030)	-	47,970
Other DfE/ESFA COVID-19 funding	-	88,769	(47,067)	(41,702)	-
Other DfE/ESFA grants	-	180,050	(180,050)	-	-
Other government grants	-	87,415	(87,415)	-	-
Teachers pension grants	-	36,505	(36,505)	-	-
Teachers pay grants	-	12,918	(12,918)	-	-
Other restricted funds	8,592	49,577	(58,169)	-	-
Pension reserve	(3,285,000)	-	(410,000)	3,695,000	-
	<u>(1,487,144)</u>	<u>9,857,877</u>	<u>(9,970,180)</u>	<u>3,440,460</u>	<u>1,841,013</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	683,232	29,301	(28,501)	-	684,032
Capital expenditure from GAG	385,520	-	(152,676)	254,540	487,384
	<u>1,068,752</u>	<u>29,301</u>	<u>(181,177)</u>	<u>254,540</u>	<u>1,171,416</u>
<b>Total restricted funds</b>	<u>(418,392)</u>	<u>9,887,178</u>	<u>(10,151,357)</u>	<u>3,695,000</u>	<u>3,012,429</u>
<b>Unrestricted funds</b>					
General funds	<u>422,760</u>	<u>101,942</u>	<u>(50,849)</u>	<u>-</u>	<u>473,853</u>
<b>Total funds</b>	<u>4,368</u>	<u>9,989,120</u>	<u>(10,202,206)</u>	<u>3,695,000</u>	<u>3,486,282</u>

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 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 2022.

In the previous year the academy received £100k of funding for catch-up premium, cost incurred in 2021 totalled £15k, with an additional £37k incurred in the current year, the remaining £48k has been allocated to be spent in 2022/23.

Other DfE grants include rates, supplementary grant and tuition funding.

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

Other restricted grants include ONE (One North East) Vision.

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 £2,314,866 at 31 August 2022.

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 17 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,172,034	8,561,978	(8,022,154)	(7,594)	1,704,264
Pupil premium	-	359,535	(359,535)	-	-
Other DfE/ESFA grants	-	468,298	(468,298)	-	-
Other government grants	-	271,599	(186,599)	-	85,000
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>
<b>Restricted fixed asset funds</b>					
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>
<b>Total restricted funds</b>	<u>(872,263)</u>	<u>9,790,715</u>	<u>(9,548,844)</u>	<u>212,000</u>	<u>(418,392)</u>
<b>Unrestricted funds</b>					
General funds	<u>397,280</u>	<u>76,538</u>	<u>(51,058)</u>	<u>-</u>	<u>422,760</u>
<b>Total funds</b>	<u>(474,983)</u>	<u>9,867,253</u>	<u>(9,599,902)</u>	<u>212,000</u>	<u>4,368</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Intangible fixed assets	-	-	1,594	1,594
Tangible fixed assets	-	-	1,159,593	1,159,593
Current assets	473,853	3,055,795	10,229	3,539,877
Current liabilities	-	(1,214,782)	-	(1,214,782)
<b>Total net assets</b>	<u>473,853</u>	<u>1,841,013</u>	<u>1,171,416</u>	<u>3,486,282</u>

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
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
Current liabilities	-	(981,170)	-	(981,170)
Pension scheme liability	-	(3,285,000)	-	(3,285,000)
<b>Total net assets</b>	<b>422,760</b>	<b>(1,487,144)</b>	<b>1,068,752</b>	<b>4,368</b>

### 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 £126,325 (2021: £126,272) were payable to the schemes at 31 August 2022 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 academy trusts. 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 2022

### 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £888,861 (2021: £894,860).

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 £233,000 (2021: £170,000).

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	2022 £	2021 £
Employer's contributions	204,000	170,000
Employees' contributions	64,000	54,000
Total contributions	268,000	224,000
Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	4.2	4.1
Rate of increase for pensions in payment/inflation	2.7	2.6
Discount rate for scheme liabilities	4.1	1.7
Inflation assumption (CPI)	2.7	2.6

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 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:

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

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

	2022 £	2021 £
Discount rate + 0.1%	5,090,000	8,522,000
Discount rate - 0.1%	5,356,000	8,446,000
Mortality assumption + 1 year	5,074,000	8,166,000
Mortality assumption - 1 year	5,366,000	8,802,000
CPI rate + 0.1%	5,330,000	8,658,000
CPI rate - 0.1%	5,110,000	8,320,000

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

	2022 Fair value £	2021 Fair value £
Equities	2,858,000	2,888,420
Government bonds	85,000	109,095
Corporate bonds	988,000	1,044,195
Cash	96,000	207,800
Property	590,000	415,600
Other assets	696,000	529,890
Asset not recognised	(93,000)	-
Total market value of assets	5,220,000	5,195,000

The actual return on scheme assets was £(86,000) (2021: £834,000).

#### Amount recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	560,000	425,000
Interest income	(90,000)	(74,000)
Interest cost	144,000	127,000
Total operating charge	614,000	478,000

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2022 £	2021 £
At 1 September 2021	8,480,000	7,514,000
Current service cost	560,000	425,000
Interest cost	144,000	127,000
Employee contributions	64,000	54,000
Actuarial (gain)/loss	(3,964,000)	548,000
Benefits paid	(64,000)	(188,000)
At 31 August 2022	5,220,000	8,480,000
Changes in the fair value of the academy trust's share of scheme assets	2022 £	2021 £
At 1 September 2021	5,195,000	4,325,000
Interest income	90,000	74,000
Actuarial loss/(gain)	(176,000)	760,000
Employer contributions	204,000	170,000
Employee contributions	64,000	54,000
Benefits paid	(64,000)	(188,000)
Asset not recognised	(93,000)	-
At 31 August 2022	5,220,000	5,195,000

The actuarial valuation report as at 31 August 2022 produced an estimated asset as a result of changes in discount rates used in the valuation. As the asset is unlikely to be realised we have not recognised it in the financial statements, we have reduced the value of scheme assets and included an adjustment in the SOFA to reflect the adjustment.



# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

	Notes	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(213,086)	267,351
Adjusted for:			
Capital grants from DfE and other capital income		(29,301)	(29,453)
Investment income receivable	5	(390)	(300)
Defined benefit pension costs less contributions payable	19	356,000	255,000
Defined benefit pension scheme finance cost	19	54,000	53,000
Depreciation of tangible fixed assets		179,052	61,632
Amortisation of intangible fixed assets	12	2,125	2,125
(Increase) in debtors		(93,605)	(29,215)
Increase/(decrease) in creditors		233,612	(464,699)
<b>Net cash provided by operating activities</b>		<b>488,407</b>	<b>115,441</b>

### 21 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	2,916,728	185,558	3,102,286

### 22 Related party transactions

Owing to the nature of the academy trust 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 trustees have an interest. The following related party transactions took place in the financial period.

Miss A Pedlingham, daughter of Mr J Pedlingham, a member of the senior management team, was employed by the academy trust to help with the COVID mass testing project. Miss A Pedlingham was paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of the senior management team.

# LORD LAWSON OF BEAMISH ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 23 Commitments under operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	21,115	19,211
Amounts due in two and five years	37,141	30,537
	<u>58,256</u>	<u>49,748</u>

At 31 August 2022 the total future minimum payments under non-cancellable PFI contracts were as follows:

	2022 £	2021 £
Amounts due within one year	1,504,033	1,432,582
Amounts due in two and five years	6,016,133	5,730,327
Amounts due after five years	6,016,133	7,162,909
	<u>13,536,299</u>	<u>14,325,818</u>

### 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 the ESFA. In the accounting period ending 31 August 2022 the trust brought forward £57,993 (2021: £54,371) from previous years, received £11,794 (2021: £13,575) and disbursed £7,897 (2021: £9,953) from the fund. An amount of £61,890 (2021: £57,993) is included in other creditors relating to undistributed funds that is repayable to ESFA.