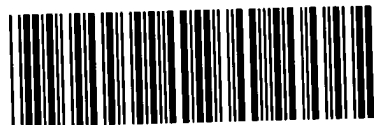


Company Registration No. 07908404 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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LORD LAWSON OF BEAMISH ACADEMY

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LORD LAWSON OF BEAMISH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A H Leaf
C Matthias
D Ramshaw
N Weatherley (Resigned 12/12/2019)
J Kelly
C P Smith
M Turner (Appointed 15 July 2020)

Trustees

A J Logan (Vice chair)
C P Smith (Chair)
D Horn (Vice chair)
E Ovington
A Robertson (Resigned 31 December 2019)
G J Currey
M Surtees
E Thorne (Resigned 9 February 2020)
A Fowler (Accounting Officer)
S Gallagher
J S Halpin
J Hooker
D Smith (Appointed 4 March 2020 and resigned 6 December 2020)
C Godfrey (Appointed 18 May 2020)
H McClean (Appointed 18 May 2020)
J Greenwell (Appointed 18 May 2020)
K Thompson (Appointed 18 May 2020)

Senior management team

- Principal	Andrew Fowler
- Assistant Principal	Catrina Viede
- Assistant Principal	Sue Nellist
- Assistant Principal	Alex Rayner
- Assistant Principal	Kate Kendall
- Assistant Principal	Linda Alder

Company secretary

S Wakefield

Company registration number

07908404 (England and Wales)

Registered office

Birtley Lane
Birtley
County Durham
DH3 2LP

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

LORD LAWSON OF BEAMISH ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
19 Market Place
Durham
County Durham
DH1 3NL

Solicitors

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

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils aged 11 to 18 serving a catchment area of Birtley, Gateshead with about 48% of students coming from the five cluster schools in the immediate vicinity of Birtley and the rest coming from primary schools across three other local authority areas. It has a pupil capacity of 1500 and had a roll of 1437 on October PLASC day 2020. The current number of Students on roll is 1443.

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;
 - a. Up to 7 (and a minimum of 2) parent trustees appointed under articles 53-58;
- d) The Principal shall be treated for all purposes as an ex officio trustee;
- e) Any additional trustees, if appointed under article 62, 62A, 62C, or 68A; and
- f) 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 2020

Policies and procedures adopted for the induction and training of trustees

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

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

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

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

Organisational structure

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

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

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

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

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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	5,467
Total pay bill	6,006,195
Percentage of the total pay bill spent on facility time	0.09%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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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 2020

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 2019-20

For the first part of the year 2019-20, the Academy continued to work on its principal objectives, as outlined in the report for 2018-19. The principal objective was to improve the quality of education offered to the students of Lord Lawson of Beamish Academy. This principal objective was broken down into five priorities, as follows:

1. Improve the effectiveness of leaders and managers
2. Improve the effectiveness of governors
3. Improve the quality of teaching, learning and assessment
4. Improve the behaviour of students
5. Improve the outcomes for students

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

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

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

ONE diagnostics, carried out in the autumn term of 2019, included a Review of Governance by a National Leader of Governance (NLG), a review of school finances, systems and resources by a School Resources Management Adviser (SRMA), and a review of school effectiveness by the NLE. Each of these reviews led to a diagnostic report and an action plan. These reports were accepted by ONE and school improvement funding of £190,650 was allocated to the Academy. As required under the terms of the ONE funding agreement, all recommendations in the diagnostic reports were accepted by the Academy and are being implemented through the Action Plan.

The ONE Action Plan has been adopted as the Academy's school improvement plan for 2019/20 – 2021/22. Its actions are summarised below, under the ONE priorities.

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1. Improve the quality of education
 - Improve the quality and consistency of teaching and learning policies across the school, including reviewing and developing marking and feedback, homework and assessment policies best suited for the needs of the school, and to increase the robustness of monitoring systems to ensure consistency;
 - Redesign schemes of work across the entire 11-18 age range, ensuring that schemes of work are effective in terms of their structure, challenge and appropriateness;
 - Improve the quality and consistency of teaching across subjects;
 - Improve teachers' knowledge of the examination content in mathematics;
2. Improve students' behaviour and attitudes, and their personal development
 - Review and develop behaviour policies;
 - Ensure all staff have the same behaviour expectations of students, by giving prominence to revised behaviour management policies and strategies within the school;
 - Improve the consistency of students' engagement and desire to learn, through the creation of a culture of higher expectations;
 - Develop the abilities of heads of house to act as appropriate disciplinarians;
 - Improve levels of attendance, through the implementation of the new attendance strategy;
 - Ensure that safeguarding training is responsive to local issues;
 - Redesign and implement a programme of enrichment and a curriculum for personal development;
3. Improve the quality of leadership
 - Improve the quality and consistency of middle leadership, ensuring that all middle leaders have a clear understanding of their roles and their visions;
 - Improve tracking systems, in order to respond effectively to examination performance and predictive performance;
 - Improve the quality and effectiveness of leadership and accountability structures in science;
4. Improve the quality of governance
 - Review and revise succession planning, structure and responsibilities within governors' committees;
 - Recruit new governors;
 - Train governors, focusing on how to make effective judgements in education;
 - Improve effectiveness of communication between governors and senior leaders;
5. Improve financial systems and efficiency
 - Undertake a review of the curriculum and teaching time;
 - Implement recommendations of the SRMA's review, including:
 - o Introduce structured and consistent use of an integrated curriculum financial planning tool, training staff and governors in its use;
 - o Review analysis of budget monitoring and forecasting;
 - o Review contracts, utilities, professional services and other non-staffing expenditure;
 - o Reduce support staff structure to ensure efficiency and effectiveness;
 - o Review leadership and management time;
 - o Review Teaching and Learning Responsibility (TLR) structure and reduce expenditure;
 - o Undertake detailed review of future years' teaching staff costs.

Public benefit

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

This commitment to public benefit was particularly apparent during the coronavirus lockdown between March and July 2020, when the Academy remained open for vulnerable students and children of key workers, and provided and coordinated extensive pastoral and practical support to the local community.

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The Ofsted report of 2019 was followed by further disappointing results in summer 2019. The new Principal, in post from 24 June 2019, immediately implemented a thorough review of teaching and learning across the Academy. In conjunction with the Academy's new school improvement partners, Cardinal Hume Catholic School, and the priorities outlined in the ONE Action Plan, the Academy has prepared for significant shifts in leadership and management, and improvements in accountability, which it believes will result in improvements in teaching and learning.

The Academy's vision and values were reviewed and reset, following consultation with staff, students and trustees. The Academy's vision statement now asserts that "Together we grow, learn and succeed." The Academy has adopted the values of Trust, Respect, Courage and Ambition. This vision and these values inform and lead the work of the Trust.

In common with all other schools, the work of the Academy was entirely disrupted by the government's partial closure of schools in response to the COVID-19 pandemic. On 20 March 2020 the school was closed to all students except the most vulnerable and children of key workers. School re-opened to students in years 10 and 12, in small numbers, from June 2020, but remained closed to all other students until the end of the academic year. Work for remote learning was created and disseminated. Systems for communicating with students and their parents over work and pastoral concerns were quickly implemented. Preparation for examinations was suspended. The Academy undertook an extremely rigorous process to create, standardise and validate Centre-Assessed Grades (CAGs), based on grades from mock examinations in December 2019 (for students in year 11) and January 2020 (for students in year 13) and other standardised assessments undertaken by students and marked by their teachers. Senior and middle leaders in the Academy used the CAG process to improve understanding and rigour in assessments across the Academy.

Key performance indicators

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

	2018-19 Summer Results	2019-20 Summer results
Pupils on roll	242	231
APS KS2	4.93	4.89
KS2 Standard deviation	0.550	0.613
Attainment 8	44.42	49.19
Progress 8	-0.503	
Progress 8 Eng	-0.342	
Progress 8 Ma	-0.733	
Progress 8 Ebacc	-0.608	
Progress 8 Open	-0.435	

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

%Grade 4+ Eng	76.4	82.7
%Grade 5+ Eng	59.9	64.9
%Grade 7+ Eng	21.5	24.7
% Grade 4+ Ma	65.3	70.6
%Grade 5+ Ma	38.4	45.0
%Grade 7+ Ma	13.2	13.9
% 2 Science 4+	58.4	72.9
% 9-4 Eng and Maths	59.9	66.2
% 9-5 Eng and Maths	34.7	42.0
% 9-7 Eng and Maths	6.6	10.0
% achieving EBacc	13.6 / 9.9	27.7 / 18.6
EBacc APS	3.72	4.23
Pupil Premium P8 (67)	-1.018 (74)	
SEN Support P8 (18)	+0.207 (16)	
SEN EHCP P8 (2)	-2.614 (3)	
EAL P8 (5)	+1.503 (4)	
High P8 (101)	-0.458 (122)	
Middle P8 (105)	-0.619 (106)	
Low P8 (18)	+0.124 (11)	
Boys P8 (87)	-0.50 (119)	
Girls P8 (144)	-0.34 (125)	

Analysis shows that students performed more strongly in English (Language and Literature) than in Mathematics and Science. Students gained stronger grades in Geography, Graphic Design, Dance, PE, Business Studies and Computer Science, and less strong grades in French, German, History, Chemistry, Food and Technology. The gap between the performance of disadvantaged students and that of other students narrowed very slightly on average, in terms of both attainment and progress, but disadvantaged students still made less strong progress, from their starting points, than other students. Girls continued to gain stronger grades, on average, than boys.

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

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

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

During 2019/20, the Board of Trustees worked closely with the senior leadership team of the Academy to project income and expenditure more accurately and to make significant savings in expenditure, in order to set a balanced budget within 3 years. The Academy has implemented all the recommendations outlined in the SRMA's report, including restructuring teaching and support staff, reviewing the curriculum and teaching time, and reviewing contracts. Many of these prudent actions were already in train at the time of the SRMA's visit in the autumn of 2019, and this was acknowledged in his report. Having taken this action, the Board of Trustees believe that Academy is now in a much more sustainable financial position, despite fluctuations in income and expenditure linked with the coronavirus pandemic.

The Academy's dispute with the ESFA over underfunding by Gateshead Council over a 3-year period to 2016 was not resolved by the end of the financial year. The ESFA continued to assert its legal right to reclaim funding, amounting to £927,000.

Financial review

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

The Board of Trustees has recently carried out a significant restructure of the senior leadership team and support staff, and a review of resources and expenditure generally, in order to deal with this and secure the long term financial viability of the Academy Trust. It has also reviewed the way it approaches its budgeting taking into account likely income and expenditure. Following this strategic review, the Academy Trust's 3 year budget forecast is currently: -

	2020/21	2021/22	2022/23
TOTAL INCOME INCL GAG & PP	-9,280,715	-9,293,699	-9,277,562
IN-YEAR SURPLUS (-)/DEFICIT	219,038	428,792	771,066
RESTRICTED SURPLUS (-)/DEFICIT CARRY FORWARD	-1,149,163	-930,125	-501,333
RESTRICTED NET DEFICIT (+) OR SURPLUS(-)	-930,125	-501,333	269,733

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020.

During the period ending 31 August 2020 total expenditure of £9,153,526 was less than DFE grant funding and other incoming resources. The overall excess of income over expenditure was £114,184. Excluding LGPS adjustments and the fixed asset fund the surplus was £383,314. Budget and expenditure are reviewed at meetings of the Academy Management Committee which meets every term and shortfalls in the budget are met by existing reserves as well as staffing and other financial efficiencies which are made during the year.

In line with other academies Lord Lawson is a member of the Local Government Pension Scheme and currently has liability of £3,189,000.

A deficit budget was approved by Trustees in July 2020 which will see the Academy use up to £220,000 of its current reserves, primarily to invest in strategic leadership which is required to bring about rapid improvements in the quality of education and outcomes for pupils, and additional operational capacity required to deal with the recovery curriculum necessitated by the Coronavirus pandemic. However, notwithstanding this deficit budget the Academy Trust will hold reserves at a level in excess of its Reserves Policy until at least the end of 2020/21. The Board of Trustees will keep matters under constant review.

There is also the need to highlight the negative impact that associated costs in relation to Covid is having on the academy finances, although the government has indicated there will be funding to reimburse the academy no direction as yet has been given as to how we claim the additional costs back, the spend has mainly been on PPE (masks, sanitiser dispensers and sanitiser, gloves, aprons, wipes, blue roll and spray and costs for supply staff for absent colleagues either who have tested positive for Covid or are isolating).

Reserves policy

Although the academy has a written Reserves Policy in recent years budget reductions and increased payments for PFI Unitary and Admin charge have not allowed the Academy to build up surplus funds and indeed any surplus funds are reducing year on year.

The Academy Management Committee monitor income and expenditure against budget through reports presented at its termly meetings 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 2020 balance of monies in the bank is £2,795,697. General and Unrestricted reserves were £1,618,555.

Investment policy

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

LORD LAWSON OF BEAMISH ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

As a successful academy with a full intake every year a key risk is competition from neighbouring schools and academies and regular review of how we communicate with prospective parents takes place to ensure we remain a popular choice for new students. Changes by the government to the funding formula affecting levels of future funding to be received and the disputed repayment costs associated with the Private Finance Initiative (PFI) puts a strain on the long term viability of the Academy. The development and monitoring of a 3 year budget plan is allowing trustees through the Academy Management Committee to assess the level of risk and implement strategies to lessen the impact to try and ensure that sufficient funds are held to stop the academy going into a deficit situation.

We have also had to consider the risks associated with covid, these range from financial risk, risk to life, risk to wellbeing of staff and students, the worklife balance needs to be considered also at these uncertain times.

We have been assured that we will receive catch up funding to help students with any learning related issues resulting from school lockdowns and also to help with additional costs.

Fundraising

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

Plans for future periods

The Academy continues to underperform and the pace of progress is slow and plans for 2020/2021 will continue to concentrate on the "key priorities" identified by Ofsted 2019 and ONE Vision, as identified above.

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 9-12-20 and signed on its behalf by:



.....
C P Smith
Chair

LORD LAWSON OF BEAMISH ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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 information on governance here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees met formally 6 times during the reporting period. The dates are timetabled at the end of the previous academic year. Reports are submitted by the Principal at each meeting giving updates on performance, quality of teaching and learning, student welfare, and financial performance. The tabling of the Trustees' Report along with the Financial Statements and the Auditor's Report for the period 2019/2020 took place at the meeting on 9 December 2020.

Trustees	Meetings attended	Out of possible
A J Logan (Vice chair)	6	6
C P Smith (Chair)	6	6
D Horn (Vice chair)	5	6
E Ovington	6	6
A Robertson (Resigned 31 December 2019)	2	2
G J Currey	6	6
M Surtees	5	6
E Thorne (Resigned 9 February 2020)	0	2
A Fowler (Accounting Officer)	6	6
S Gallagher	5	6
J S Halpin	4	6
J Hooker	4	6
D Smith (Appointed 4 March 2020 and resigned 6 December 2020)	1	3
C Godfrey (Appointed 18 May 2020)	1	2
H McClean (Appointed 18 May 2020)	2	2
J Greenwell (Appointed 18 May 2020)	2	2
K Thompson (Appointed 18 May 2020)	2	2

LORD LAWSON OF BEAMISH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In autumn 2019 a review of the skills audit took place and it was resolved to increase the number of Trustees from 13 to 15 to ensure the Board had the skills it needed to function most effectively. Taking account of vacancies created, five new Trustees joined the Board in 2019/20 following a robust recruitment process which involved making use of external trustee recruitment portals 'Governors for Schools' and 'Inspiring Governance' and an interview process with the Chair and Vice Chairs.

Previously, the Chair of Trustees had also chaired all sub-committees. Now, each sub-committee has a separate chair and vice chair and a total of 7 Trustees have leadership responsibility across the Board and sub-committees. This ensures that leadership is appropriately delegated, arrangements are more sustainable, Trustees are more engaged and skill sets and experience are fully utilised. It is also hoped this facilitates succession planning.

This year, all Trustees came together for training as part of the induction of the five new Trustees. This training focused on evaluating and interpreting school data and reflecting and evaluating the Academy's progress and areas for development.

Trustees have benefitted from a range of external support through a School Improvement Partners which have provided comprehensive written reports and feedback, and Trustees are now clearer about the strengths and weaknesses of the Academy.

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

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

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A J Logan (Vice chair)	4	4
C P Smith (Chair)	4	4
D Horn (Vice chair)	4	4
E Ovington	4	4
G J Currey	4	4
E Thorne (Resigned 9 February 2020)	0	2
A Fowler (Accounting Officer)	4	4
S Gallagher	4	4
J S Halpin	3	4
J Hooker	3	4
C Godfrey (Appointed 18 May 2020)	1	1
H McClean (Appointed 18 May 2020)	1	1
J Greenwell (Appointed 18 May 2020)	1	1
K Thompson (Appointed 18 May 2020)	1	1

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.

LORD LAWSON OF BEAMISH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

Staffing

Reviewing staffing and the deployment of staff. In particular, this has included a full review of the deployment of 'TLRs' (Teaching and Learning Responsibility payments) across the Academy Trust to ensure that they are awarded to teaching staff who are required and able to take on responsibility and where appropriate accountability measures have been put in place to review performance. A review of the support staffing structure concluded in this period and several staff left the Academy Trust in December 2019.

Review of managed service contract

SCS ICT managed service contract was terminated following the insolvency of the company which provided the managed service. Staff employed by the company but permanently assigned to the contract with the Academy were employed directly by the Academy Trust to ensure continuity and this also yielded a saving.

Lettings

We continue to optimise lettings on the school building to bring in an income however in the final half of this period this was restricted as a result of the Covid-19 pandemic.

PFI contract

A dispute with the ESFA and LA regarding a historic shortfall in PFI Affordability Gap payments was ongoing and was not resolved in this period.

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 for the period 1 September 2019 to 31 August 2020, and up to the date of approval of the annual report and financial statements.

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 2019 to 31 August 2020 and up to date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

LORD LAWSON OF BEAMISH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 Board of Trustees has considered the need for audit committee for the checking of financial controls, systems, transactions and risks and discharged this responsibility to an external accountancy company Azets Audit Services Limited.

The purpose of this internal assurance is 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.

The Academy commissioned internal assurance visits during the year. The visit took place on 13 July 2020 and the auditor delivered their schedule of work as planned.

The purpose of this Internal Assurance is 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; and
- financial considerations are fully taken into account in reaching decisions.

The reports identified seven recommendations as to improvements to systems and processes that are already working effectively. These related to the updating of the business and pecuniary interests register, publishing of the Academy's governance arrangements and attendance at meetings, all claim forms to be dated, review creditor report and write off older balances, bank recs to be prepared monthly, KPI's to be measured, internal assurance reports to be discussed at governors meetings and minuted (they are always discussed but the minutes didn't reflect that). These recommendations were accepted and implemented. No material control issues were identified.

LORD LAWSON OF BEAMISH ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 Principal Finance Officer who has responsibility for the development and maintenance of the internal control framework

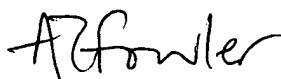
The Accounting Officer has been advised of the implications of the result of external audits of internal control with all reports being presented to the Academy Management Committee for acceptance.

There is the need to go out to tender this year (which was delayed because of covid) for both internal and external auditor services which will see the services separated.

Approved by order of the board of trustees on 9-12-20 and signed on its behalf by:



C P Smith
Chair



A Fowler
Accounting Officer

LORD LAWSON OF BEAMISH ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Lord Lawson of Beamish Academy, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



A Fowler
Accounting Officer

27/1/2021

LORD LAWSON OF BEAMISH ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 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 2019 to 2020;
- 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 9-12-20 and signed on its behalf by:



C P Smith
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 2020

Opinion

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

LORD LAWSON OF BEAMISH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2020

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.

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

LORD LAWSON OF BEAMISH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2020

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.

Azets Audit Services

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

28/1/2021

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
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 2020

In accordance with the terms of our engagement letter dated 18 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Lord Lawson of Beamish Academy's funding agreement with the Secretary of State for Education dated 1 March 2012 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 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 2020

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 report
- 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, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Service

Reporting Accountant

Azets Audit Services

Dated: 23/1/2021

LORD LAWSON OF BEAMISH ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	2,126	-	29,476	31,602	108,409
Charitable activities:						
- Funding for educational operations	4	4,215	9,119,081	-	9,123,296	8,589,064
Other trading activities	5	111,340	-	-	111,340	235,011
Investments	6	1,472	-	-	1,472	1,530
Total		<u>119,153</u>	<u>9,119,081</u>	<u>29,476</u>	<u>9,267,710</u>	<u>8,934,014</u>
Expenditure on:						
Raising funds	7	93,062	-	-	93,062	213,089
Charitable activities:						
- Educational operations	8	4,215	8,986,643	69,606	9,060,464	8,972,162
Total	7	<u>97,277</u>	<u>8,986,643</u>	<u>69,606</u>	<u>9,153,526</u>	<u>9,185,251</u>
Net Income/(expenditure)		21,876	132,438	(40,130)	114,184	(251,237)
Transfers between funds	17	-	(13,004)	13,004	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	19	-	(1,282,000)	-	(1,282,000)	(643,000)
Net movement in funds		21,876	(1,162,566)	(27,126)	(1,167,816)	(894,237)
Reconciliation of funds						
Total funds brought forward		375,404	(805,159)	1,122,588	692,833	1,587,070
Total funds carried forward		<u>397,280</u>	<u>(1,967,725)</u>	<u>1,095,462</u>	<u>(474,983)</u>	<u>692,833</u>

LORD LAWSON OF BEAMISH ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds £	General £	Fixed asset £	2019 £
Income and endowments from:					
Donations and capital grants	3	2,260	-	106,149	108,409
Charitable activities:					
- Funding for educational operations	4	-	8,589,064	-	8,589,064
Other trading activities	5	235,011	-	-	235,011
Investments	6	1,530	-	-	1,530
Total		<u>238,801</u>	<u>8,589,064</u>	<u>106,149</u>	<u>8,934,014</u>
Expenditure on:					
Raising funds	7	213,089	-	-	213,089
Charitable activities:					
- Educational operations	8	-	8,898,289	73,873	8,972,162
Total	7	<u>213,089</u>	<u>8,898,289</u>	<u>73,873</u>	<u>9,185,251</u>
Net income/(expenditure)		25,712	(309,225)	32,276	(251,237)
Transfers between funds	17	-	4,126	(4,126)	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(643,000)	-	(643,000)
Net movement in funds		25,712	(948,099)	28,150	(894,237)
Reconciliation of funds					
Total funds brought forward		349,692	142,940	1,094,438	1,587,070
Total funds carried forward		<u>375,404</u>	<u>(805,159)</u>	<u>1,122,588</u>	<u>692,833</u>

LORD LAWSON OF BEAMISH ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	12		5,844		1
Tangible assets	13		1,043,574		1,024,383
			<u>1,049,418</u>		<u>1,024,384</u>
Current assets					
Debtors	14	314,771		322,457	
Cash at bank and in hand		<u>2,795,697</u>		<u>2,942,092</u>	
		3,110,468		3,264,549	
Current liabilities					
Creditors: amounts falling due within one year	15	<u>(1,445,869)</u>		<u>(1,918,100)</u>	
Net current assets			<u>1,664,599</u>		<u>1,346,449</u>
Net assets excluding pension liability			2,714,017		2,370,833
Defined benefit pension scheme liability	19		<u>(3,189,000)</u>		<u>(1,678,000)</u>
Total net (liabilities)/assets			<u>(474,983)</u>		<u>692,833</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			1,095,462		1,122,588
- Restricted income funds			1,221,275		872,841
- Pension reserve			<u>(3,189,000)</u>		<u>(1,678,000)</u>
Total restricted funds			<u>(872,263)</u>		<u>317,429</u>
Unrestricted income funds	17		<u>397,280</u>		<u>375,404</u>
Total funds			<u>(474,983)</u>		<u>692,833</u>

The accounts on pages 25 to 50 were approved by the trustees and authorised for issue on 9-12-20 and are signed on their behalf by:



C P Smith
Chair

Company Number 07908404

LORD LAWSON OF BEAMISH ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(82,702)		120,670
Cash flows from investing activities					
Dividends, interest and rents from investments		1,472		1,530	
Capital grants from DfE Group		29,476		106,149	
Purchase of intangible fixed assets		(6,375)		-	
Purchase of tangible fixed assets		(88,266)		(10,170)	
Net cash (used in)/provided by investing activities			(63,693)		97,509
Net (decrease)/increase in cash and cash equivalents in the reporting period			(146,395)		218,179
Cash and cash equivalents at beginning of the year			2,942,092		2,723,913
Cash and cash equivalents at end of the year			2,795,697		2,942,092

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

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

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

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

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

- Purchased computer software - 3 years straight line

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 payable under operating leases are charged against income on a straight-line basis over the period of the lease.

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 2020

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 2020

1 Accounting policies

(Continued)

1.13 Private finance initiative

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

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. Allowance has been made in the valuation for members whose state pension age is on or after 6 April 2016.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	29,476	29,476	106,149
Other donations	2,126	-	2,126	2,260
	<u>2,126</u>	<u>29,476</u>	<u>31,602</u>	<u>108,409</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	8,082,978	8,082,978	8,094,749
Other DfE group grants	-	779,736	779,736	435,608
	<u>-</u>	<u>8,862,714</u>	<u>8,862,714</u>	<u>8,530,357</u>
Other government grants				
Local authority grants	-	176,461	176,461	44,607
	<u>-</u>	<u>176,461</u>	<u>176,461</u>	<u>44,607</u>
Other funding				
Other incoming resources	4,215	79,906	84,121	14,100
	<u>4,215</u>	<u>79,906</u>	<u>84,121</u>	<u>14,100</u>
Total funding	<u>4,215</u>	<u>9,119,081</u>	<u>9,123,296</u>	<u>8,589,064</u>

Other DfE group grants includes the following:

	2020 £	2019 £
Pupil Premium	359,495	332,489
Universal Infant Free School Meals	19,360	15,400
Year 7 Catch Up Grant	17,646	17,092
Teachers Pay Grant	100,173	66,277
Teachers Pension Grant	283,062	-
DfE Challenge 2	-	4,350
	<u>779,736</u>	<u>435,608</u>

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Lettings	2,188	-	2,188	11,000
Catering income	15,918	-	15,918	35,049
School trips	57,042	-	57,042	142,643
Other income	36,192	-	36,192	46,319
	<u>111,340</u>	<u>-</u>	<u>111,340</u>	<u>235,011</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	1,472	-	1,472	1,530
	<u>1,472</u>	<u>-</u>	<u>1,472</u>	<u>1,530</u>

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	-	-	93,062	93,062	213,089
Academy's educational operations					
- Direct costs	5,493,493	-	428,885	5,922,378	6,066,956
- Allocated support costs	865,103	1,827,448	445,535	3,138,086	2,905,206
	<u>6,358,596</u>	<u>1,827,448</u>	<u>967,482</u>	<u>9,153,526</u>	<u>9,185,251</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	6,445	6,250
- Other services	5,400	5,250
Operating lease rentals	20,177	11,226
Depreciation of tangible fixed assets	69,075	70,098
Amortisation of intangible fixed assets	531	3,775
Net interest on defined benefit pension liability	30,000	17,000
	<u>131,678</u>	<u>133,649</u>

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	1,020	5,921,358	5,922,378	6,066,956
Support costs				
Educational operations	3,195	3,134,891	3,138,086	2,905,206
	<u>4,215</u>	<u>9,056,249</u>	<u>9,060,464</u>	<u>8,972,162</u>
			2020	2019
			£	£
Analysis of support costs				
Support staff costs			865,103	826,422
Depreciation and amortisation			69,606	73,873
Technology costs			5,199	7,112
Premises costs			1,757,842	1,657,759
Legal costs			12,732	20,710
Other support costs			408,583	299,925
Governance costs			19,021	19,405
			<u>3,138,086</u>	<u>2,905,206</u>

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	4,484,164	4,678,132
Social security costs	450,534	482,438
Pension costs	1,197,378	943,734
Staff costs - employees	6,132,076	6,104,304
Agency staff costs	73,119	62,081
Staff restructuring costs	153,401	154,375
	6,358,596	6,320,760
Staff development and other staff costs	21,779	38,362
Total staff expenditure	6,380,375	6,359,122
Staff restructuring costs comprise:		
Redundancy payments	153,401	154,375

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £54,269 (2019: £105,984). Individually, the payments were: £3,703, £2,794, £13,550, £5,352, £3,851, £5,196, £1,103, £3,717, £2 and £15,000.

Staff numbers

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

	2020 Number	2019 Number
Teachers	101	103
Administration and support	33	41
Management	6	9
	140	153

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	3	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	-	2
	<u> </u>	<u> </u>

The above includes three one off settlement arrangements which has increased the bandings for the previous year.

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 £533,263 (2019: £907,661).

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 M Lovatt (Principal to 22 January 2019)

Remuneration £nil (2019: £115,001 - £120,000)

Employer's pension contributions £nil (2019: £10,001 - £15,000)

Mrs A Robertson (HLTA resigned as trustee 31 December 2019)

Remuneration £20,001 - £25,000 (2019: £15,001 - £20,000)

Employer's pension contributions £1 - £5,000 (2019: £1 - £5,000)

Mr Surtees (Staff trustee)

Remuneration £45,001 - £50,000 (2019: £45,001 - £50,000)

Employer's pension contributions £10,001 - £15,000 (2019: £5,001 - £10,000)

Mr S Hawkins (Acting Principal from 24 January 2019 to 20 June 2019)

Remuneration £nil (2019: £45,001 - £50,000)

Employer's pension contributions £nil (2019: £nil)

Mr A Fowler (Principal)

Remuneration £100,001 - £105,000 (2019: £15,001 - £20,000)

Employer's pension contributions £20,001 - £25,000 (2019: £1 - £5,000)

Mrs D Smith (SWAFLO Appointed 4 March 2020)

Remuneration £10,001 - £15,000 (2019: not a trustee)

Employer's pension contributions £1 - £5,000 (2019: not a trustee)

During the year expenses amounting to £401 (2019: £1,037) were paid to trustees.

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

11 Insurance for trustees and officers

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 (2019: £5,000,000) on any one claim and the cost for the year ended 31 August 2020 was £359 (2019: £359).

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2019	23,934
Additions	6,375
Disposals	(23,934)
At 31 August 2020	6,375
Amortisation	
At 1 September 2019	23,933
On disposals	(23,933)
Charge for year	531
At 31 August 2020	531
Carrying amount	
At 31 August 2020	5,844
At 31 August 2019	1

13 Tangible fixed assets

	Building improvements £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 September 2019	1,043,984	534,425	984,968	2,563,377
Additions	-	88,266	-	88,266
At 31 August 2020	1,043,984	622,691	984,968	2,651,643
Depreciation				
At 1 September 2019	98,646	513,086	927,262	1,538,994
Charge for the year	19,566	35,931	13,578	69,075
At 31 August 2020	118,212	549,017	940,840	1,608,069
Net book value				
At 31 August 2020	925,772	73,674	44,128	1,043,574
At 31 August 2019	945,338	21,339	57,706	1,024,383

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

14 Debtors

	2020 £	2019 £
Trade debtors	145	1,144
VAT recoverable	149,242	135,115
Prepayments and accrued income	165,384	186,198
	<u>314,771</u>	<u>322,457</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	5,522	20,110
Other taxation and social security	114,807	117,089
Other creditors	167,265	164,273
Accruals and deferred income	1,158,275	1,616,628
	<u>1,445,869</u>	<u>1,918,100</u>

16 Deferred income

	2020 £	2019 £
Deferred income is included within: Creditors due within one year	<u>35,534</u>	<u>16,737</u>
Deferred income at 1 September 2019	16,737	62,332
Released from previous years	(16,737)	(62,332)
Resources deferred in the year	<u>35,534</u>	<u>16,737</u>
Deferred income at 31 August 2020	<u>35,534</u>	<u>16,737</u>

Deferred income consists of rates relief received relating to the following year. In the previous year deferred income related to trips due to take part in the following academic year.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	866,187	8,082,978	(7,764,127)	(13,004)	1,172,034
Other DfE / ESFA grants	-	779,736	(779,736)	-	-
Other government grants	-	176,461	(176,461)	-	-
Other restricted funds	6,654	79,906	(37,319)	-	49,241
Pension reserve	(1,678,000)	-	(229,000)	(1,282,000)	(3,189,000)
	<u>(805,159)</u>	<u>9,119,081</u>	<u>(8,986,643)</u>	<u>(1,295,004)</u>	<u>(1,967,725)</u>
Restricted fixed asset funds					
DfE group capital grants	695,896	29,476	(29,011)	-	696,361
Capital expenditure from GAG	426,692	-	(40,595)	13,004	399,101
	<u>1,122,588</u>	<u>29,476</u>	<u>(69,606)</u>	<u>13,004</u>	<u>1,095,462</u>
Total restricted funds	<u>317,429</u>	<u>9,148,557</u>	<u>(9,056,249)</u>	<u>(1,282,000)</u>	<u>(872,263)</u>
Unrestricted funds					
General funds	375,404	119,153	(97,277)	-	397,280
Total funds	<u>692,833</u>	<u>9,267,710</u>	<u>(9,153,526)</u>	<u>(1,282,000)</u>	<u>(474,983)</u>

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 2020.

Other DfE/ESFA grants include pupil premium, teachers' pay grant, teachers' pension grant, free school meals and year 7 catch-up funding.

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

Other restricted grants include One Vision, British Council, admin recharge, training and other grants. Unspent funds have been carried forward to next year.

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

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

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

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

The academy's restricted general and unrestricted funds were £1,618,555 at 31 August 2020.

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	927,940	8,094,749	(8,160,628)	4,126	866,187
Other DfE / ESFA grants	-	435,608	(435,608)	-	-
Other government grants	-	44,607	(44,607)	-	-
Other restricted funds	-	14,100	(7,446)	-	6,654
Pension reserve	(785,000)	-	(250,000)	(643,000)	(1,678,000)
	<u>142,940</u>	<u>8,589,064</u>	<u>(8,898,289)</u>	<u>(638,874)</u>	<u>(805,159)</u>
Restricted fixed asset funds					
DfE group capital grants	619,708	106,149	(25,835)	(4,126)	695,896
Capital expenditure from GAG	474,730	-	(48,038)	-	426,692
	<u>1,094,438</u>	<u>106,149</u>	<u>(73,873)</u>	<u>(4,126)</u>	<u>1,122,588</u>
Total restricted funds	<u>1,237,378</u>	<u>8,695,213</u>	<u>(8,972,162)</u>	<u>(643,000)</u>	<u>317,429</u>
Unrestricted funds					
General funds	<u>349,692</u>	<u>238,801</u>	<u>(213,089)</u>	<u>-</u>	<u>375,404</u>
Total funds	<u>1,587,070</u>	<u>8,934,014</u>	<u>(9,185,251)</u>	<u>(643,000)</u>	<u>692,833</u>

18 Analysis of net assets between funds

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

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Intangible fixed assets	-	-	1	1
Tangible fixed assets	-	-	1,024,383	1,024,383
Current assets	398,141	2,768,204	98,204	3,264,549
Creditors falling due within one year	(22,737)	(1,895,363)	-	(1,918,100)
Defined benefit pension liability	-	(1,678,000)	-	(1,678,000)
Total net assets	375,404	(805,159)	1,122,588	692,833

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 £112,894 (2019: £91,168) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £813,449 (2019: £560,475).

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 16.9% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £184,000 (2019: £146,000).

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	2020 £	2019 £
Employer's contributions	184,000	146,000
Employees' contributions	51,000	50,000
Total contributions	235,000	196,000

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.8	3.5
Rate of increase for pensions in payment/inflation	2.3	2.0
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.3	2.0

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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:

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.9
- Females	25.0	25.1
Retiring in 20 years		
- Males	23.5	23.6
- Females	26.8	26.9

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

	2020 £	2019 £
Discount rate + 0.1%	7,326,000	5,690,000
Discount rate - 0.1%	7,709,000	5,979,000
Mortality assumption + 1 year	7,243,000	5,641,000
Mortality assumption - 1 year	7,785,000	6,028,000
CPI rate + 0.1%	7,672,000	5,929,000
CPI rate - 0.1%	7,356,000	5,739,000

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

	2020 Fair value £	2019 Fair value £
Equities	2,314,000	2,721,525
Government bonds	104,000	170,355
Corporate bonds	990,000	473,670
Cash	82,000	87,255
Property	398,000	357,330
Other assets	437,000	344,865
Total market value of assets	4,325,000	4,155,000

The actual return on scheme assets was £34,000 (2019: £224,000).

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2020 £	2019 £
Current service cost	352,000	255,000
Past service cost	31,000	124,000
Interest income	(80,000)	(109,000)
Interest cost	110,000	126,000
Total operating charge	413,000	396,000

Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	5,833,000	4,614,000
Current service cost	352,000	255,000
Interest cost	110,000	126,000
Employee contributions	51,000	50,000
Actuarial loss	1,236,000	758,000
Benefits paid	(99,000)	(94,000)
Past service cost	31,000	124,000
At 31 August 2020	7,514,000	5,833,000

Changes in the fair value of the academy trust's share of scheme assets	2020 £	2019 £
At 1 September 2019	4,155,000	3,829,000
Interest income	80,000	109,000
Actuarial loss/(gain)	(46,000)	115,000
Employer contributions	184,000	146,000
Employee contributions	51,000	50,000
Benefits paid	(99,000)	(94,000)
At 31 August 2020	4,325,000	4,155,000

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	114,185	(251,237)
Adjusted for:		
Capital grants from DfE and other capital income	(29,476)	(106,149)
Investment income receivable	(1,472)	(1,530)
Defined benefit pension costs less contributions payable	199,000	233,000
Defined benefit pension scheme finance cost	30,000	17,000
Depreciation of tangible fixed assets	69,075	70,098
Amortisation of intangible fixed assets	531	3,775
Decrease in debtors	7,686	278,619
(Decrease) in creditors	(472,231)	(122,906)
Net cash (used in)/provided by operating activities	(82,702)	120,670

21 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	2,942,092	(146,395)	2,795,697

LORD LAWSON OF BEAMISH ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

22 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	15,876	14,484
Amounts due in two and five years	44,844	57,936
	<u>60,720</u>	<u>72,420</u>

At 31 August 2020 the total future minimum payments under non-cancellable PFI contracts were as follows:

	2020 £	2019 £
Amounts due within one year	1,432,450	1,382,834
Amounts due in two and five years	5,729,800	5,531,338
Amounts due after five years	8,594,700	9,679,841
	<u>15,756,950</u>	<u>16,594,013</u>

23 Related party transactions

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

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

24 Members' liability

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

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust brought forward £73,104 (2019: £64,053) from previous years, received £19,301 (2019: £20,039) and disbursed £38,034 (2019: £10,988) from the fund. An amount of £54,371 (2019: £73,104) is included in other creditors relating to undistributed funds that is repayable to ESFA.