

Company registration number 07588464 (England and Wales)

**THE BAY LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

# THE BAY LEARNING TRUST

## CONTENTS

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	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditor's report on the accounts	19 - 22
Independent reporting accountant's report on regularity	23 - 24
Statement of financial activities including income and expenditure account	25 - 26
Balance sheet	27
Statement of cash flows	28
Notes to the accounts including accounting policies	29 - 54

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# THE BAY LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Prof J Crewdson  
Canon S Whittaker  
Prof C J Carr  
Rt Revd Dr J Duff  
Revd L Vasey-Saunders (appointed 1st September 2021)

### Trustees

Rev Canon P Ballard  
Mr B Ardern  
Mr P Boustead (Resigned 28 March 2022)  
Mrs D Cheetham  
Prof J Crewdson (Chairman)  
Mr M Dudfield  
Mrs N Gomersall  
Mrs S Kenyon (Accounting Officer)  
Mrs J Watson (Resigned 14 July 2022)  
Mr R Webb (Resigned 17 September 2021)  
Mrs V Wilson (Resigned 14 July 2022)  
Mr C Hopkinson

### Executive team

- Chief Executive Officer	Mrs S Kenyon
- Principal, Ripley St Thomas CE Academy and Lead Principal from 1st May 2022	Mrs C Walmsley
- Principal, Carnforth High School	Mr T Iddon
- Principal, Morecambe Bay Academy until 18th April 2022	Mrs H McClurg
- Principal, Morecambe Bay Academy from 19th April 2022 and Director of Operations until 18th April 2022	Mr G Gomersall
- Principal, Central Lancaster High School	Mr J Cowper
- Chief Operating Officer/Chief Financial Officer	Mr A McKinnell
- Director of SCIIT from 1st September 2021 until 30th April 2022 and Director of Primary Education and Professional Development from 1st May 2022	Mrs S Farrimond
- Director of SCIIT from 1st May 2022	Mrs F Ackroyd
- Trust Accountant from 21st February 2022	Mr P Jarvis

### Company secretary

Mr A McKinnell

### Company registration number

07588464 (England and Wales)

### Registered office

The Lodge  
Ripley St Thomas Academy  
Ashton Road  
Lancaster  
Lancashire  
LA1 4RR

# THE BAY LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Academies operated

Ripley St Thomas CE Academy  
Carnforth High School  
Morecambe Bay Academy  
Central Lancaster High School

### Location

Lancaster  
Carnforth  
Morecambe  
Lancaster

### Principal

Mrs C Walmsley  
Mr T Iddon  
Mr G Gomersall  
Mr J Cowper

### Independent auditor

Mitchell Charlesworth (Audit) Limited  
24 Nicholas Street  
Chester  
CH1 2AU

### Bankers

Lloyds Bank  
49 Market Street  
Lancaster  
LA1 1 JH

### Solicitors

Hill Dickinson LLP  
No.1 St. Pauls Square  
Liverpool  
Merseyside  
L3 9SJ

# THE BAY LEARNING TRUST

## TRUSTEES' REPORT

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

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

The Trust operates 4 academies for pupils aged 11-18 serving in Lancashire; Ripley St Thomas Church of England Academy, Carnforth High School, Morecambe Bay Academy and Central Lancaster High School. Its academies have a combined pupil capacity of 4,830 and had a roll of 4,024 in the school census on 6 October 2022.

#### **Structure, governance and management**

##### Constitution

The 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 Trust.

The trustees of The Bay Learning Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

The trustees' are indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is £10,000,000.

##### Method of recruitment and appointment or election of Trustees

In accordance with the Articles of Association the members appoint a minimum of 7 trustees as well as up to 6 co-opted trustees.

In order to find potential new trustees, contact is made with relevant external agencies such as academy ambassadors as well as utilising personal contacts that existing trustees and members have with other organisations.

When any appointment of a trustee is to be made, the information obtained from a regularly conducted skills audit of trustees is used to identify areas of knowledge and experience to be sought in any new trustees. Any potential new trustees are also subject to a selection process involving submission of a CV, personal interviews with the Chair of Trustees, the CEO and other appropriate members or relevant Executive team individuals. Recommendation on appointment of any potential new trustee is subsequently made (along with selection process information provided) to the full Board meeting and to members where required.

##### Policies and procedures adopted for the induction and training of Trustees

Newly appointed trustees are provided with recent minutes and other key documents prior to an induction session with the CEO and Chair of Trustees. The trustees have access to training, and, where appropriate, trustee meeting agendas include a focus item on key issues.

# THE BAY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Organisational structure

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and all trust staff appointments.

The Bay Learning Trust Executive Team consists of the Chief Executive Officer, Principal of Ripley St Thomas CE Academy and Lead Principal, Principal of Carnforth High School, Principal of Central Lancaster High School and Principal of Morecambe Bay Academy, Chief Operating Officer / Chief Financial Officer, Director of Primary Education and Professional Development, Director of the SCITT and the Trust Accountant. These leaders control the Trust at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the Trust Executive Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Executive Team always contain a trustee.

#### Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of the Executive team is reviewed on an annual basis or at other times during the academic year when a business need arises. Annual pay progression is taken to the Board where it is reviewed to ensure it is proportionate to the size of the Trust. Executive team pay is published in line with section 2.32 of the Academy Trust Handbook.

#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	6
Full-time equivalent employee number	4.50

##### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	6
1%-50%	-
51%-99%	-
100%	-

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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# THE BAY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

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

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#### Engagement with employees

The Trust has around 500 employees engaged across the four Trust schools. In addition the Trust has 8 Central Team employees. Principals and senior leaders in each school communicate with staff, holding regular staff meetings. Staff also receive weekly bulletins from senior leaders regarding issues arising in school.

A number of informal networks exist across the Trust and leaders from each of our schools support in other Trust schools as required. Our Lead Principal supports other Trust schools with work on literacy and Special Educational Needs and Disabilities. In addition, Principals and School Business Managers meet regularly to share their expertise and find solutions to common issues such as rising energy costs.

The Trust is committed to ensuring good relationships develop and are maintained with recognised Trade Unions. A Trade Union Recognition Agreement was finalised in March 2018 and regular meetings of the Joint Consultation and Negotiation Committee (JCNC) have taken place since then. There have also been regular consultation meetings with staff and members of Trade Unions at a local level.

The Trust carries out regular surveys of staff, parents and pupils. Survey results are reported to local governing bodies and Directors so that the Trust can respond effectively to any feedback. Staff are engaged in discussions regarding the educational performance of their students. Key information about this and other performance information is published on each Trust academy school website.

The Trust is committed to promoting equality of opportunity for all staff and job applicants as set out in its Equal Opportunities Policy, which is published on the Trust website. The Equal Opportunities Policy states that we will not unlawfully discriminate against staff on the basis of disability. The Equal Opportunities Policy applies to all aspects of the Trust's relationship with staff and to relations between staff members at all levels. This includes job advertisements, recruitment, selection, training and development, opportunities for promotion, conditions of service, pay and benefits.

#### Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust works with both internal and external stakeholders in accordance with the "Seven Principles of Public Life" these being: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership. The Trust relies on external suppliers for the provision of key services and said suppliers are treated on the same basis to establish and maintain a good working relationship.

The Trust's procurement procedure is dealt with in accordance with the provisions of its Financial Framework, which sets out the correct process to be followed and the relevant financial delegations applying across all Trust academy schools. The Trust aims to achieve best value for money and best price possible from all its suppliers given that a large proportion will be paid for with public funds. The Trust is required to maintain the integrity of those funds whilst ensuring that a fair process is published and followed.

Communication with students and parents/carers has been established through use of an individual school's method of connecting students and parents to school, which includes email, text and use of web-based applications such as SCOPAY. These methods of communication have proved to be invaluable during the COVID-19 lockdown when, following government instruction, only small numbers of students were able to attend Trust schools. Engagement with parents and students has been challenging this year but Trust schools have sought to adapt and have provided virtual tours, virtual parents' evenings and other events, including the provision of on-line learning, where face-to-face interactions have not been possible.

The Trust and all of its schools fall within the Lancashire County Council area which has responsibility for admissions to all secondary schools. Trust schools continue to 'buy-into' some services from the County Council where appropriate and cost effective.

# THE BAY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Related parties and other connected charities and organisations

Lancaster, Ripley Church of England Educational Trust (charity number 526393) is a charitable trust based in Lancaster. Its charitable objects include providing support to Ripley St Thomas C of E Academy and other faith schools in the Lancaster area. Revd L Vasey-Saunders was appointed as the Chair of Trustees on 21st October 2021.

Believe Education Trust (charity number 1154141) is a charitable trust based in Lancaster. Its charitable objects include furthering the education of 11-19 year olds in the North West of England. Prof J Crewdson currently sits on the Board as the Chair of Trustees.

Related party transaction are disclosed in note 25 to the accounts.

#### **Objectives and activities**

##### Objects and aims

The aim of the Trust is to build a community of like-minded schools in the North West that work closely together to secure an excellent education for all our young people. The Trust will:

- Provide value for money for the funds expended
- Comply with all appropriate statutory and curriculum requirements
- Conduct trust business in accordance with the highest standards of integrity, probity and openness

##### Objectives, strategies and activities

The Trust's strategic objectives include:

- To improve and sustain high levels of school performance
- To develop a self-sustaining community that learns from each other and from the best available external practice
- To allow schools to focus on teaching and learning through a central team that supports them with finance, buildings and staffing
- To ensure that our schools remain financially sustainable
- To develop our premises to create the best possible learning environment
- Growth in line with government expectations of strong MATs
- To enhance the Christian ethos of Church Schools in the Trust

The trustees recognise that equal opportunities should be an integral part of all good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

##### Public benefit

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit is currently delivered by the Trust through the maintenance and development of the high-quality education provided by its academies.

In doing this, academies not only offer a broadly-based academic education but aim to educate the whole individual. A very wide range of extra-curricular activities, educational trips, visits and foreign trips is offered and undertaken.



# THE BAY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Strategic report

#### Achievements and performance

Standards continue to improve across the MAT schools with a number of areas of high performance. The Trust has benefitted greatly from the Department for Education Capital Improvement Fund (CIF) to improve the fabric and infrastructure of our schools. Carnforth High School and Ripley St Thomas continue to be over-subscribed while numbers are increasing at Central Lancaster High School and Morecambe Bay Academy.

Ripley ITT continues to expand and has just been successful in its bid for re-accreditation. This year they recruited over 60 trainees. Many of its trainees, both primary and secondary find employment within the Trust. The Trust has appointed a new Director of the SCITT, two Deputy Directors, one for secondary and one for primary, and an Assistant Director. This provides the capacity needed to expand rapidly.

The Trust has a team of School Improvement Partners (SIPs) providing high-quality support to the Principals and their teams. They ensure that there is regular, objective feedback on standards in all of the Trust schools. The School Improvement Team also provides support to 5 Lancashire Secondary schools via a service- level agreement.

Governance is very much strengthened across the Trust with greater alignment between the level of support and challenge offered by local governing bodies. An appointment has been made of an experienced governance professional to support the work of the governors and trustees.

#### Key performance indicators

All academies within the Trust have performed better than budgeted during the year. This has enabled a number of reserve-funded capital works to be undertaken. The Trust central budget continues to be used to provide a number of support services to our academies, as well as investment in improvement in a range of areas across the Trust, including teacher training.

Total free reserves represents 15% of total GAG income, which is in excess of the targeted level of 10% as set out in the reserves policy. The level of free reserves varies across the Trust. Excess free reserves are expected to reduce considerably in the coming year due to the impact of higher than anticipated staff pay awards, high energy costs and high general inflation. Trust central reserves are 1%, which is below the target level of 5% of total annual income.

Staff costs as a percentage of total income and total costs is 76%. This is monitored on an ongoing basis to ensure that staffing levels remain sustainable across the Trust.

#### Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### Protecting the success of the Trust

The Trust provides systems, structures and external networks to support the work in the Trust schools to enable them to prioritise their time on teaching, learning strategies and outcomes at their schools. The Trust believes that this allows school leadership and local committees to focus on the needs of the students in their schools within a supportive framework.

The Trust works hard to ensure that each school environment is fit for purpose and that environmental impact is considered when decisions are made regarding Trust infrastructure. Recent building projects at Trust schools have used local and regional workforces and ecological standards have been observed.

The professional conduct of our trustees, governors, staff and visitors is of utmost importance to the Trust. All are expected to abide by relevant codes of conduct and Trust policy.

# THE BAY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Financial review

Most of the Trust's income is obtained from the DfE in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objectives of the Trust. The GAG received during the period covered by this report and the associated expenditure is shown as restricted funds in the statement of financial activities.

On conversion to an Academy Trust on the 1<sup>st</sup> May 2011, all of the fixed assets of Ripley St Thomas CE Academy were transferred to the Trust, in June 2018 all of the assets of Carnforth High School were transferred to the Trust, in May 2019 all of the assets of Morecambe Community High School were transferred to the Trust and in October 2019 all of the assets of Central Lancaster High School were transferred to the Trust. The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in note 1 to the Financial Statements.

Restricted expenditure for the period covered by this report was more than covered by the GAG received from the ESFA together with other restricted incoming resources.

During the year ended 31<sup>st</sup> August 2022, total expenditure of £28,940,000 (2021: £26,507,000) was fully covered by grant funding from the DfE together with other incoming resources. The excess of income over expenditure (excluding actuarial losses on the defined benefit pension scheme) was £6,306,000 (2021: £4,852,000).

As at the 31<sup>st</sup> August 2022, the net book value of fixed assets was £42,966,000 (2021: £36,189,000), including the value of the land and buildings which are lease on a 125-year lease. The assets are used exclusively for providing education and the associated support services to the pupils of the academy.

#### Reserves policy

The trustees review the reserve levels of each academy school annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Under its Funding Agreement with the Secretary of State for Education, The Bay Learning Trust is permitted to hold unlimited reserves at the year end.

The Trustees' Finance and Resources Committee has reviewed these reserve levels and believes that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected emergencies. The Trust will maintain free reserves at a minimum level of 2% of GAG up to a maximum of 10% of GAG as an appropriate cushion. Where a school has in excess of 10% of GAG funding in reserve a plan showing how the money will be spent will be expected. The aim is for the Trust to build 5% of total annual income as central reserves.

The trust has overall reserves of £54,174,000. Included within is restricted general reserves (excluding pension & fixed asset reserves) of £2,571,000 (2021: £4,084,000) and unrestricted reserves of £770,000 (2021: £695,000). The total free reserves (excluding pension & fixed asset reserves) amounts to £3,341,000 (2021: £4,779,000).

The pension scheme was in surplus as at 31<sup>st</sup> August 2022 by £33,000 (2021 liability: £11,007,000). The vast majority of the movement of the pension scheme is due to actuarial assumptions and does not have a direct cash impact.

As at 31<sup>st</sup> August 2022 the trustees consider that the Trust's free reserves held are satisfactory for the level of the Trust's operations.

# THE BAY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Investment policy

The Trust aims to manage cash balances to provide the working capital required for its day-to-day operations, whilst protecting the long-term value of any surpluses against inflation. The Trust therefore aims to invest surplus cash funds in a way that optimises returns whilst ensuring there is minimal risk of loss of these funds. In order to make the best use of surplus cash funds to generate additional income the Trust must ensure the following objectives are met:

- Manage cash flow to ensure that sufficient cash balances are maintained in the current account to cover the working capital requirements of the Trust.
- Ensure there is minimal risk to loss of the capital value of any cash funds invested by ensuring that the Trust is only exposed to low risk investments.
- Protect the capital value of the invested funds against inflation.
- Ensure optimum returns on the funds invested.
- Ensure that income generated from investments is used for furthering the Trust's aims.
- Investments must be placed with FSA registered companies.
- The CEO is responsible for the management of investments, with responsibility delegated to the Finance Director.

Regular cash flow forecasts are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll commitments and outstanding creditors due for payment.

Where cash flow forecasts indicate that a base level of cash funds will be surplus to the day-to-day requirements of the Trust these funds may be invested following approval by the Finance and Resources Committee.

In making decisions with regard to investment options the Finance Director will compare interest rates and returns across the market to ensure the Trust is getting a fair return, having due regard for the economic situation at that time.

In general, the cash shall be invested in short term investment accounts, with an average duration of less than one year. Proposals for longer term investments would need further approval of the Finance and Resources Committee.

#### Principal risks and uncertainties

##### *Risk Management*

The trustees have assessed the major risks to which the Trust is exposed. The trustees have implemented a number of systems to assess risks in the operational areas of the Trust and in relation to the control of finance. A Risk Register has been completed and is reviewed annually.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

##### *Credit, cashflow and liquidity risks*

The Trust does not have any credit facilities other than credit cards. The balances on these cards are settled in full each month in line with AFH guidance.

Cashflow is monitored across the Trust to ensure each academy has sufficient available funds to meet their working capital requirements. The Trust's total bank and cash balances at 31<sup>st</sup> August 2022 are £7,599,000.

All suppliers are engaged on standard terms and payments made on a weekly basis to ensure suppliers are paid on time.

##### *Defined benefit pension scheme risk*

Although historically this has been in deficit overall, three academies are in surplus and have no deficit payments. Deficit payments continue to be budgeted for and paid as required in line with the latest available valuations.

# THE BAY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### Fundraising

The Trust does not use any external fundraisers. The schools within the Trust undertake a variety of fundraising activities to support several charities and the Trust itself. All fundraising undertaken during the year was monitored by the Trustees.

#### Streamlined energy and carbon reporting

	2022 kWh	2021 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	2,849,342	4,126,812
- Fuel consumed for transport	32,568	16,766
- Electricity purchased	1,867,213	1,884,261
	<u>4,749,123</u>	<u>6,027,839</u>
	2022 metric tonnes	2021 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	520.10	755.90
- Fuel consumed for owned transport	4.50	2.90
	<u>524.60</u>	<u>758.80</u>
Scope 2 - indirect emissions		
- Electricity purchased	361.10	400.10
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Trust	3.50	1.10
	<u>889.20</u>	<u>1,160.00</u>
Total gross emissions		
	<u>889.20</u>	<u>1,160.00</u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	0.21	0.28
	<u>0.21</u>	<u>0.28</u>

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting. The 2022 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas and minibus diesel consumption were compiled from invoice records. Where invoices did not cover the whole reporting year, the direct comparison estimation technique was applied to ensure the data covered the whole reporting year. Mileage claims were used to calculate energy use and emissions associated with grey fleet. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector for consistency and comparability. Pupil numbers are based on the Autumn 2021 Census.

# THE BAY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### *Measures taken to improve energy efficiency*

The Trust has managed to secure Condition Improvement Funding during the academic year which has contributed to several projects which will improve the school's energy efficiency. Projects included:

#### *Ripley St Thomas C of E Academy*

- Completion of the roofing project on the main school building, improving insulation and energy efficiency, as part of the CIF project

#### *Carnforth High School*

- All windows have been replaced with double glazing, as part of the CIF project
- Doors to all teaching areas are locked at lunchtime and student computers are set to switch off at 5pm instead of 6pm, with it no longer set to auto switch-on

#### *Morecambe Bay Academy*

- The ground-source heat pump that was installed during the last academic year is now online
- New pitched-roof project has begun with Solar Panels being installed. Once online, the panels will generate 176,956kWh/year of electricity, helping the Trust avoid 83.1tCO<sub>2</sub>e a year

#### *Central Lancashire High School*

- Completion of the roofing project on the main school building, improving insulation and energy efficiency, as part of the CIF project
- Work began on the new block during summer 2022 as part of the CIF project, with the project set to finish during the following academic year

#### **Plans for future periods**

The Trust will continue to work to improve pupils' performance at all levels. Additionally, there will be a focus on developing reading across all provision to ensure that staff are able to:

- support pupils to read proficiently
- enable pupils who have fallen behind to catch up quickly
- evoke a love of reading and be able to signpost pupils to further reading

An additional priority is to improve SEND provision across all schools so that all staff can effectively make adjustments for pupils providing appropriate scaffolds

We have growth plans in place and are currently realising these plans with a view to double the number of schools in the Trust by 2024. We continue to provide School improvement work for schools outside the Trust.

The SCITT has been reaccredited for operation until September 2024. Reapplication to the RoATP as a provider of the Teacher Apprenticeship has been successful. Ripley ITT will prepare for significant growth over the next two years. The Trust continues to invest in the SCITT to prepare for programme development and future growth.

The Trust continues to focus on delivering outstanding teaching and learning through ensuring all staff members are highly trained. It continues to pursue its ambition to raise achievement even further, working towards improved outcomes for our students in both terminal examinations and rates of progress.

# THE BAY LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

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

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### **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.

A resolution proposing that Mitchell Charlesworth (Audit) Limited be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 06 December 2022 and signed on its behalf by:

Prof J Crewdson  
**Chairman**

# THE BAY LEARNING TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Scope of responsibility

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

As 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 The Bay Learning Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### Governance

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

Trustees are allocated to one or more of three Committees which are as follows: Finance and Resources, Quality and Standards, and Audit and Risk. Other ad hoc committees are convened as and when needed. These committees meet on a regular termly cycle. Under the agreed Scheme of Delegation, each academy school has a Local Governing Body with the required two parent representatives to support the work of the Board of Trustees.

Six financial updates are received by the Board of Trustees per year: three at the meetings of the Board of Trustees and three at the meetings of the Finance and Resources Committee. Monthly reports are also provided to key trustees.

The involvement of Trustees on the three sub-Committees enables them to maintain effective oversight of the Trust, and therefore it was determined that the Board of Trustees need only meet formally three times during the period 1<sup>st</sup> September 2021 to 31<sup>st</sup> August 2022. Attendance at this meeting of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Rev Canon P Ballard	2	3
Mr B Ardern	3	3
Mr P Boustead (Resigned 28 March 2022)	1	2
Mrs D Cheetham	3	3
Prof J Crewdson (Chairman)	3	3
Mr M Dudfield	3	3
Mrs N Gomersall	2	3
Mrs S Kenyon (Accounting Officer)	3	3
Mrs J Watson (Resigned 14 July 2022)	0	3
Mr R Webb (Resigned 17 September 2021)	0	0
Mrs V Wilson (Resigned 14 July 2022)	3	3
Mr C Hopkinson	3	3

#### Conflicts of interest

Conflicts of interests are managed by maintaining an up-to-date register of interests which are published on our website. These are reviewed at each meeting. Any conflict is highlighted in meetings and if a conflict arises this person would not be involved in the decision making process.

# THE BAY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Governance reviews

Following a recent skills audit, the results of the audit were scrutinised for any gaps in the skills and experience of the current Board. As a result of this, two additional Trustees have been appointed to the Board bringing a wealth of experience in risk management and HR. The skills and experience of the current Board will be reviewed again on a regular basis and, in particular, when the membership of the Board changes.

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Rev Canon P Ballard	3	3
Mr B Ardern	2	3
Prof J Crewdson (Chairman)	3	3
Mr M Dudfield	2	3
Mrs S Kenyon (Accounting Officer)	3	3
Mr R Webb (Resigned 17 September 2021)	0	0
Mr C Hopkinson	2	3

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Prof J Crewdson (Chairman)	3	3
Mr M Dudfield	2	3
Mrs S Kenyon (Accounting Officer)	2	3
Mrs J Watson (Resigned 14 July 2022)	0	3
Mrs V Wilson (Resigned 14 July 2022)	3	3
Mr C Hopkinson	2	3

#### Review of value for money

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



# THE BAY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

- **Benchmarking:** The COO/CFO, Trust Accountant and School Business Managers are members of a regional group of 300 school and academy school business managers. The group focuses on sharing best practice and comparing prices for goods and services. Collaborative purchasing opportunities have enabled the Trust to obtain discounts on costs of a number of purchases. Financial benchmarking exercises carried out during the year, utilising professionally produced reports to compare key income and expenditure types with local and national academies of similar size and form indicate that our costs were below the median, across the Board, and show that the strict budgeting and financial control has been effective.
- **Options appraisal:** The Trust has clear systems for purchasing, with a hierarchy for purchasing decisions including trustee authorisation at the highest level. Purchases of goods and services valued at over £5,000 require three quotes, although in practice we generally obtain quotes for goods and services of much lower value, to ensure best value. Orders for all goods and services are authorised only after meeting the stringent procedures for obtaining value for money. Even relatively low value orders are intercepted by the School Business Managers or COO/CFO if they are not considered to be cost-effective.
- **Negotiation:** The COO/CFO and the School Business Managers have successfully driven down costs through determined negotiation with suppliers throughout the year. Quotations for goods and services have been routinely challenged and most prices have subsequently been reduced. Significant reductions have continued to be achieved in many cases.

#### The purpose of the system of internal control

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

#### Capacity to handle risk

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

#### The risk and control framework

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

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

# THE BAY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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

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The trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor from within the Trust. However, the trustees have appointed Shard Business Services as Internal Auditor. The Internal Auditors role includes giving advice on financial matters and performing a range of checks on the Trust's systems. On a quarterly basis, the Internal Auditor reports to the trustees on the operation of the systems of control and on the discharge of the trustees financial responsibilities. The Internal Auditor function has been fully delivered in line with the ESFA's requirements and no material control issues arose as a result of the RO's work.

#### **Review of effectiveness**

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the Board of Trustees;
- the work of the internal reviewer
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 06 December 2022 and signed on its behalf by:

Prof J Crewdson  
**Chairman**

Mrs S Kenyon  
**Accounting Officer**

# THE BAY LEARNING TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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As accounting officer of The Bay Learning Trust, I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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

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

Mrs S Kenyon  
**Accounting Officer**

06 December 2022

# THE BAY LEARNING TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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The trustees (who are also the directors of The Bay Learning Trust for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 06 December 2022 and signed on its behalf by:

Prof J Crewdson  
**Chairman**

# THE BAY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BAY LEARNING TRUST

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Opinion

We have audited the accounts of The Bay Learning Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### 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.

# THE BAY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BAY LEARNING TRUST (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2022*

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# THE BAY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BAY LEARNING TRUST (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

#### Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the schools' own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management and members of the board of governors of their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the schools' documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the schools' Statement of Financial Activities, (ii) the trust's accounting policy for revenue recognition (iii) the overstatement of salary and other costs (iv) the assumptions used in the calculation of the valuation of the surplus or deficit on the defined benefit pension scheme and the movements for the year. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued by the joint SORP making body, along with the Academy Trust Handbook and Accounts Direction 2021-22 issued by the Education and Skills Funding Agency.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty. This includes regulations concerning Data Protection and Safeguarding.

# THE BAY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BAY LEARNING TRUST (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### Audit response to risks identified

As a result of performing the above, we identified the presentation of the academy's Statement of Financial Activities, revenue recognition and overstatement of wages and other costs as the key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and members of the board concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls we carried out testing of the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates were indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

### 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.

**Robert Hall (Senior Statutory Auditor)**  
**for and on behalf of Mitchell Charlesworth (Audit) Limited**

15 December 2022

**Accountants**  
**Statutory Auditor**

24 Nicholas Street  
Chester  
CH1 2AU



# THE BAY LEARNING TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BAY LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

### FOR THE YEAR ENDED 31 AUGUST 2022

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In accordance with the terms of our engagement letter dated 15 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Bay Learning Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of The Bay Learning Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Bay Learning Trust's funding agreement with the Secretary of State for Education dated 30 April 2019 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.

## **THE BAY LEARNING TRUST**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BAY LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

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

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

#### **Reporting Accountant**

Mitchell Charlesworth (Audit) Limited

Dated: 15 December 2022

# THE BAY LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total 2022 £'000	Total 2021 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	5	-	7,702	7,707	5,173
Charitable activities:						
- Funding for educational operations	4	-	26,107	-	26,107	25,190
- Teaching schools	29	-	-	-	-	42
Other trading activities	5	1,324	106	-	1,430	953
Investments	6	2	-	-	2	1
<b>Total</b>		<b>1,331</b>	<b>26,213</b>	<b>7,702</b>	<b>35,246</b>	<b>31,359</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	9	1,256	27,208	476	28,940	26,462
- Teaching schools	29	-	-	-	-	45
<b>Total</b>	<b>7</b>	<b>1,256</b>	<b>27,208</b>	<b>476</b>	<b>28,940</b>	<b>26,507</b>
<b>Net income/(expenditure)</b>		<b>75</b>	<b>(995)</b>	<b>7,226</b>	<b>6,306</b>	<b>4,852</b>
Transfers between funds	18	-	(1,794)	1,794	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	12,316	-	12,316	(780)
Revaluation of fixed assets	13	-	-	-	-	(8,824)
<b>Net movement in funds</b>		<b>75</b>	<b>9,527</b>	<b>9,020</b>	<b>18,622</b>	<b>(4,752)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		695	(6,923)	41,780	35,552	40,304
Total funds carried forward		770	2,604	50,800	54,174	35,552

# THE BAY LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2021		funds	General	Fixed asset	2021
	Notes	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	54	5,119	5,173
Charitable activities:					
- Funding for educational operations	4	-	25,190	-	25,190
- Teaching schools	29	-	42	-	42
Other trading activities	5	908	45	-	953
Investments	6	1	-	-	1
<b>Total</b>		909	25,331	5,119	31,359
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	875	25,143	444	26,462
- Teaching schools	29	-	45	-	45
<b>Total</b>	7	875	25,188	444	26,507
<b>Net income</b>		34	143	4,675	4,852
Transfers between funds	18	-	(477)	477	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	20	-	(780)	-	(780)
Revaluation of fixed assets	13	-	-	(8,824)	(8,824)
<b>Net movement in funds</b>		34	(1,114)	(3,672)	(4,752)
<b>Reconciliation of funds</b>					
Total funds brought forward		661	(5,809)	45,452	40,304
Total funds carried forward		695	(6,923)	41,780	35,552

# THE BAY LEARNING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2022

		2022	2021
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	13	42,966	36,189
<b>Current assets</b>			
Debtors	14	7,555	5,780
Cash at bank and in hand		7,599	6,711
		15,154	12,491
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(3,605)	(1,829)
<b>Net current assets</b>		11,549	10,662
<b>Total assets less current liabilities</b>		54,515	46,851
Creditors: amounts falling due after more than one year	16	(374)	(292)
<b>Net assets before defined benefit pension scheme asset/(liability)</b>		54,141	46,559
Defined benefit pension scheme asset/(liability)	20	33	(11,007)
<b>Total net assets</b>		54,174	35,552
<b>Funds of the Trust:</b>			
<b>Restricted funds</b>	18		
- Fixed asset funds		50,800	41,780
- Restricted income funds		2,571	4,084
- Pension reserve		33	(11,007)
<b>Total restricted funds</b>		53,404	34,857
<b>Unrestricted income funds</b>	18	770	695
<b>Total funds</b>		54,174	35,552

The accounts on pages 25 to 54 were approved by the Trustees and authorised for issue on 06 December 2022 and are signed on their behalf by:

Prof J Crewdson  
Chairman

Company registration number 07588464

# THE BAY LEARNING TRUST

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2022**

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	21		352		(1,587)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		2		1	
Capital grants from DfE Group		4,702		5,114	
Capital funding received from sponsors and others		3,000		1	
Purchase of tangible fixed assets		(7,254)		(2,726)	
Proceeds from sale of tangible fixed assets		-		(7)	
<b>Net cash provided by investing activities</b>			450		2,394
<b>Cash flows from financing activities</b>					
New other loan		150		225	
Repayment of loan		(64)		(43)	
<b>Net cash provided by financing activities</b>			86		182
<b>Net increase in cash and cash equivalents in the reporting period</b>			888		989
Cash and cash equivalents at beginning of the year			6,711		5,722
<b>Cash and cash equivalents at end of the year</b>			7,599		6,711

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £'000.

##### 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

All incoming resources are recognised when the 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.

###### 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 Trust has provided the goods or services.

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 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 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 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 (excluding VAT) 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.



# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	over the remainder of the 125 year lease straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	33% straight line
Motor vehicles	25% straight line

The building valuation for Ripley St Thomas represents the value of leasehold assets as per the ESFA valuation carried out in 2016 by a RICS approved valuer. In this valuation the leasehold buildings were valued at £12,284,000.

The building valuation for Carnforth High School represented the value of leasehold assets as per a third party valuation carried out in 2018 by a RICS approved valuer. This value was restated in 2019 to the ESFA valuation which was carried out by a RICS approved valuer. In this valuation the leasehold buildings were valued at £3,285,000.

The building valuation for Morecambe Bay Academy represents the value of leasehold assets as per a third party valuation carried out in 2019 by a RICS approved valuer. In this valuation the leasehold buildings were valued at £8,824,000.

The building valuation for Central Lancaster High School represents the value of leasehold assets as per a third party valuation carried out in 2020 by a RICS approved valuer. In this valuation the leasehold buildings were valued at £11,952,000. This value was restated in 2021 to the ESFA valuation which was carried out by a RICS approved valuer. In this valuation the leasehold buildings were valued at £3,040,000.

The assets in each valuation were valued using a depreciated replacement cost model and are to be depreciated over a 125 year period.

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.

#### 1.6 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 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.

#### 1.7 Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### 1.8 Leased assets

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

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 1.9 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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.

###### 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 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 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 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 Trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the 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 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.

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 1.12 Fund accounting

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

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

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

##### 1.13 Agency arrangements

The 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 recognized in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

#### 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 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 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 20, will impact on the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Donated fixed assets	-	-	-	4
Capital grants	-	7,702	7,702	5,115
Other donations	5	-	5	54
	<u>5</u>	<u>7,702</u>	<u>7,707</u>	<u>5,173</u>

### 4 Funding for the Trust's charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	20,531	20,531	21,610
Other DfE/ESFA grants:				
- Pupil premium	-	912	912	914
- Teacher Pay/Pension grant	-	150	150	1,096
- Rates grant	-	106	106	106
- ESIF/conversion	-	-	-	164
- DfE teaching grants	-	-	-	42
- 16 to 18 funding	-	2,479	2,479	-
- Others	-	553	553	458
- National college grant	-	741	741	345
	<u>-</u>	<u>25,472</u>	<u>25,472</u>	<u>24,735</u>
<b>Other government grants</b>				
Local authority grants	-	451	451	330
Other government grants	-	4	4	9
	<u>-</u>	<u>455</u>	<u>455</u>	<u>339</u>
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	135	135	286
Other DfE/ESFA COVID-19 funding	-	-	-	87
<b>Non-DfE/ESFA</b>				
Other COVID-19 funding	-	45	45	130
	<u>-</u>	<u>180</u>	<u>180</u>	<u>503</u>
<b>Total funding</b>	<u>-</u>	<u>26,107</u>	<u>26,107</u>	<u>25,577</u>

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Hire of facilities	109	-	109	31
Catering income	545	-	545	384
Music tuition	50	-	50	40
Parental contributions	381	-	381	30
Other income	239	106	345	468
	<u>1,324</u>	<u>106</u>	<u>1,430</u>	<u>953</u>

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000	Total 2021 £'000
Short term deposits	2	-	2	1
	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>

### 7 Expenditure

	Staff costs £'000	Non-pay expenditure		Total 2022 £'000	Total 2021 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	18,243	357	2,598	21,198	19,674
- Allocated support costs	3,803	1,884	2,055	7,742	6,788
Teaching schools					
- Direct costs	-	-	-	-	39
- Allocated support costs	-	-	-	-	6
	<u>22,046</u>	<u>2,241</u>	<u>4,653</u>	<u>28,940</u>	<u>26,507</u>

#### Net income/(expenditure) for the year includes:

	2022 £'000	2021 £'000
Fees payable to auditor for:		
- Audit	16	15
- Other services	18	14
Operating lease rentals	20	22
Depreciation of tangible fixed assets	174	138
Amortisation of leasehold buildings	302	307
Gain on disposal of fixed assets	-	(1)
Net interest on defined benefit pension liability	203	159
	<u>203</u>	<u>159</u>

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 8 Central services

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

- Human resources;
- Financial services;
- Legal services;
- Educational and administrative support services
- Health and safety
- Building condition/compliance reporting
- Trust improvement partner costs
- CPD costs
- Marketing
- Financial software

The Trust charges for these services on the basis of a charge against recurrent GAG income.

The amounts charged during the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Ripley St Thomas CE Academy	368	254
Carnforth High School	147	126
Morecambe Bay Academy	264	257
Central Lancaster High School	143	114
	<u>922</u>	<u>751</u>

#### 9 Charitable activities

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Direct costs</b>				
Educational operations	1,167	20,031	21,198	19,674
Teaching schools	-	-	-	39
<b>Support costs</b>				
Educational operations	89	7,653	7,742	6,788
Teaching schools	-	-	-	6
	<u>1,256</u>	<u>27,684</u>	<u>28,940</u>	<u>26,507</u>

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Charitable activities	(Continued)	2022 £'000	2021 £'000
<b>Analysis of support costs</b>			
Support staff costs		3,979	3,399
Depreciation and amortisation		119	168
Technology costs		62	80
Premises costs		1,765	1,622
Legal costs		47	44
Other support costs		1,736	1,448
Governance costs		34	33
		<u>7,742</u>	<u>6,794</u>
<b>10 Staff</b>			
<b>Staff costs</b>			
Staff costs during the year were:			
		2022 £'000	2021 £'000
Wages and salaries		15,390	14,851
Social security costs		1,463	1,406
Pension costs		4,030	4,094
		<u>20,883</u>	<u>20,351</u>
Staff costs - employees			
Agency staff costs		1,089	633
Staff restructuring costs		74	110
		<u>22,046</u>	<u>21,094</u>
Staff development and other staff costs		255	99
		<u>22,301</u>	<u>21,193</u>
Staff restructuring costs comprise:			
Severance payments		74	110
<b>Severance payments</b>			
The Trust paid 6 severance payments in the year, disclosed in the following bands:			
0 - £25,000	6		

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 10 Staff

(Continued)

##### Staff numbers

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

	2022 Number	2021 Number
Teachers	242	232
Administration and support	236	243
Management	33	34
	<hr/>	<hr/>
	511	509
	<hr/>	<hr/>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2022 Number	2021 Number
Teachers	217	210
Administration and support	163	167
Management	32	32
	<hr/>	<hr/>
	412	409
	<hr/>	<hr/>

##### Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	10	6
£70,001 - £80,000	3	5
£80,001 - £90,000	4	3
£90,001 - £100,000	1	1
£110,001 - £120,000	1	1
	<hr/>	<hr/>

##### Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £998,637 (2021: £947,784).



# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the 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:

Mrs S Kenyon (CEO, Principal and trustee):

Remuneration	£110,000 - £120,000 (2021: £110,000 - £120,000)
Employers' pension contributions	£25,000 - £30,000 (2021: £25,000 - £30,000)

#### Trustees' Expenses

During the period ended 31 August 2022, travel and subsistence totalling £1,293 were reimbursed to one trustee (2021: £nil).

#### 12 Trustees' and officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000. It is not possible to quantify the trustees and officers' indemnity element from the overall cost of the RPA scheme.

#### 13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2021	37,478	477	336	14	38,305
Additions	7,112	85	57	-	7,254
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	44,590	562	393	14	45,559
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 September 2021	1,477	372	258	9	2,116
Charge for the year	302	104	69	2	477
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	1,779	476	327	11	2,593
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 August 2022	42,811	86	66	3	42,966
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	36,001	105	78	5	36,189
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 14 Debtors

	2022 £'000	2021 £'000
Trade debtors	45	5
Condition Improvement Fund (CIF) related debtors	6,824	5,007
VAT recoverable	251	246
Other debtors	6	328
Prepayments and accrued income	429	194
	<u>7,555</u>	<u>5,780</u>

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

	2022 £'000	2021 £'000
Government loans	45	21
Other loans	22	42
Trade creditors	1,224	316
Other taxation and social security	394	368
Condition Improvement Fund (CIF) related creditors	42	-
Other creditors	551	518
Accruals and deferred income	1,327	564
	<u>3,605</u>	<u>1,829</u>

#### 16 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Government loans	367	262
Other loans	7	30
	<u>374</u>	<u>292</u>

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

16	Creditors: amounts falling due after more than one year	(Continued)	
		2022 £'000	2021 £'000
	<b>Analysis of loans</b>		
	Wholly repayable within five years	441	355
	Less: included in current liabilities	(67)	(63)
		<hr/>	<hr/>
	Amounts included above	374	292
		<hr/>	<hr/>
	<b>Loan maturity</b>		
	Debt due in one year or less	67	63
	Due in more than one year but not more than five years	309	292
	Due in more than five years	65	-
		<hr/>	<hr/>
		441	355
		<hr/>	<hr/>

Loans include an amount received to fund energy efficient projects via the ESFA Salix scheme with no interest charged on the balances outstanding. The cost of repaying the loan will be offset by the energy cost savings resulting from the works carried out. Loan repayments are made in September and March of each year for the life of the loan.

The total repayable after more than five years is £nil (2021:£nil)

Loans also include a balance owing to the Local Authority following the conversion of Central Lancaster High School to academy status. No interest is being charged on this amount. Monthly loan repayments commenced in January 2021.

The total repayable after more than five years is £nil (2021: £nil)

Loans also include CIF loans totalling £375,000 (2021:£225,000). The repayable profile on these loans is as follows:

- The amount of £150,000 has not yet had the repayable profile confirmed and therefore all amounts have been shown as due in more than one year.
- The amount of £225,000 is split into 2 loans.
  - Loan 1 repayment plan - £75,000 - £16,000 is due within one year and £59,000 between one and five years.- The CIF loan is over 5 years and has an interest rate of 1.99%p.a - Repayments begin September 2022.
  - Loan 2 repayment plan - £150,000 - £17,000 is due within one year, £67,000 between one and five years and £65,000 is due in over five years. - The CIF loan is over 10 years and has an interest rate of 2.07%p.a. - Repayments begin September 2022.

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 17 Deferred income

	2022 £'000	2021 £'000
Deferred income is included within:		
Creditors due within one year	79	68
	<u>      </u>	<u>      </u>
Deferred income at 1 September 2021	68	13
Released from previous years	11	55
	<u>      </u>	<u>      </u>
<b>Deferred income at 31 August 2022</b>	<b>79</b>	<b>68</b>
	<u>      </u>	<u>      </u>

Deferred income is made up of rates relief and catering income.

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Funds

	Balance at 1 September 2021 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2022 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	3,926	20,531	(20,221)	(1,823)	2,413
Start up grants	9	-	-	(9)	-
Pupil premium	-	912	(912)	-	-
Catch-up premium	-	135	(135)	-	-
Other Coronavirus funding	-	45	(45)	-	-
Other DfE/ESFA grants	-	659	(651)	-	8
16 to 18 funding	-	2,479	(2,479)	-	-
ESIF/Conversion grants	25	-	(63)	38	-
Teachers Pay/Pension	-	150	(150)	-	-
Other government grants	-	455	(455)	-	-
Teaching schools	42	-	-	-	42
Other restricted funds	50	106	(73)	-	83
National College funds	32	741	(748)	-	25
Pension reserve	(11,007)	-	(1,276)	12,316	33
	<u>(6,923)</u>	<u>26,213</u>	<u>(27,208)</u>	<u>10,522</u>	<u>2,604</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	5,591	7,702	-	(5,459)	7,834
Other capitalised assets	189	-	(174)	140	155
ESFA building valuation	36,000	-	(302)	7,113	42,811
	<u>41,780</u>	<u>7,702</u>	<u>(476)</u>	<u>1,794</u>	<u>50,800</u>
<b>Total restricted funds</b>	<u>34,857</u>	<u>33,915</u>	<u>(27,684)</u>	<u>12,316</u>	<u>53,404</u>
<b>Unrestricted funds</b>					
General funds	695	1,331	(1,256)	-	770
	<u>695</u>	<u>1,331</u>	<u>(1,256)</u>	<u>-</u>	<u>770</u>
<b>Total funds</b>	<u>35,552</u>	<u>35,246</u>	<u>(28,940)</u>	<u>12,316</u>	<u>54,174</u>

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Funds

(Continued)

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward. At 31<sup>st</sup> August 2022 the carry forward of GAG was £2,413,000 (2021: £3,926,000.)

The Start Up grants are to facilitate the joining of schools to the Trust. As at the 31<sup>st</sup> August 2022, £nil (2021: £9,000) of these funds remained unspent.

ESIF/conversion grants relate to school improvement support for Castle View primary School. As at the 31<sup>st</sup> August 2022, £nil (2021: £25,000) of these funds remained unspent.

Other DfE/ESFA grants include monies received outside of GAG funding and includes the Teacher Pay and Pension grants, as well as Free School Meals. As at the 31<sup>st</sup> August 2022 the balance carried forward on these funds was £8,000 (2021: £nil).

Other government grants represent amounts payable to the Trust predominantly from Lancashire County Council and includes Special Educational Needs (SEN) funding. All income was fully spent in the year.

Teaching School / National College grants represent amounts received by the Trust with respect to the Teaching Schools and School Centred Initial Teacher Training (SCITT) programmes. As at the 31<sup>st</sup> August 2022 the balance carried forward on these funds was £25,000 (2021: £32,000).

Other restricted funds include the income and related expenditure for educational visits, supplies of staff, and after school clubs and all donations for specified purposes such as charitable or educational trust grants, fundraising proceeds and general donations with restrictions attached. As at the 31<sup>st</sup> August 2022 £83,000 (2021: £50,000) of these funds remained unspent.

DfE/ESFA capital grants received during the year relate to Devolved Formula Capital and Condition Improvement Funding. £7,834,000 (2021: £5,591,000) of the funding remained unspent at the 31<sup>st</sup> August 2022 and will be used to fund ongoing capital projects into the 2022/23 academic year.

Other capital grants relate to RPA funding of a heating project at Morecambe Bay Academy. As at the 31<sup>st</sup> August 2022 all of these funds were fully spent.

Other capitalised assets post conversion represents the value of assets purchased since conversion to academy school status. These are depreciated in line with the accounting policies set out in note 1.

The ESFA building valuation represents the value of leasehold assets as per the valuation detailed in note 1 to the accounts plus subsequent assets improvements. The assets were all valued using a depreciated replacement cost model and are to be depreciated over a 125 year period.

Unrestricted funds include the income and related expenditure for activities such as lettings, sales of educational goods and services, Teaching School activities, catering and music income. It also includes all investment income and gift aid donations. The balance on this fund at the 31<sup>st</sup> August 2022 is £770,000 (2021: £695,000) and these funds can be used at the discretion of the trustees, in order to meet the charitable objectives of the Trust.

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Funds

(Continued)

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

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	3,161	21,610	(20,528)	(317)	3,926
Start up grants	100	-	(26)	(65)	9
Pupil premium	-	914	(914)	-	-
Catch-up premium	-	286	(286)	-	-
Other DfE/ESFA COVID-19 funding	-	87	(87)	-	-
Other Coronavirus funding	-	130	(130)	-	-
Other DfE/ESFA grants	-	219	(219)	-	-
ESIF/Conversion grants	-	164	(44)	(95)	25
Teachers Pay/Pension	-	1,096	(1,096)	-	-
National College funds	24	345	(337)	-	32
Other government grants	8	339	(347)	-	-
Teaching schools	45	42	(45)	-	42
Other restricted funds	41	99	(90)	-	50
Pension reserve	(9,188)	-	(1,039)	(780)	(11,007)
	<u>(5,809)</u>	<u>25,331</u>	<u>(25,188)</u>	<u>(1,257)</u>	<u>(6,923)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	2,721	4,614	-	(1,744)	5,591
Other capital grants	-	500	-	(500)	-
Other capitalised assets	194	1	(137)	131	189
ESFA building valuation	42,537	-	(307)	(6,230)	36,000
Donated assets	-	4	-	(4)	-
	<u>45,452</u>	<u>5,119</u>	<u>(444)</u>	<u>(8,347)</u>	<u>41,780</u>
<b>Total restricted funds</b>	<u>39,643</u>	<u>30,450</u>	<u>(25,632)</u>	<u>(9,604)</u>	<u>34,857</u>
<b>Unrestricted funds</b>					
General funds	<u>661</u>	<u>909</u>	<u>(875)</u>	<u>-</u>	<u>695</u>
<b>Total funds</b>	<u>40,304</u>	<u>31,359</u>	<u>(26,507)</u>	<u>(9,604)</u>	<u>35,552</u>

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

18	Funds	(Continued)	
<b>Total funds analysis by academy</b>			
		<b>2022</b>	<b>2021</b>
	Fund balances at 31 August 2022 were allocated as follows:	<b>£'000</b>	<b>£'000</b>
	Ripley St Thomas CE Academy	2,662	3,046
	Carnforth High School	674	641
	Morecambe Bay Academy	492	622
	Central Lancaster High School	(1,056)	(264)
	Central services	569	734
	Total before fixed assets fund and pension reserve	3,341	4,779
	Restricted fixed asset fund	50,800	41,780
	Pension reserve	33	(11,007)
	Total funds	54,174	35,552

Central Lancaster High School is carrying a net deficit of £1,056,000 (2021:£264,000). The school converted into the Trust with a pre-existing deficit from the Local Authority in 2019. At the year end there is still a balance of £29,000 to be repaid in relation to this, with £7,000 due in more than one year. The school is also liable for an ESFA CIF loan of £150,000 as well as an internal CIF contribution loan of £769,000. £902,000 of these loan amounts are due in more than one year. Both loans relate to condition improvement projects. Excluding these non-current liabilities the school has a net current deficit of £147,000 (2021: £84,000). The Trust has a recovery plan in place to return to a net current surplus position over a 3 year period through setting and rigorously reviewing future budgets against actuals.



# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Funds

(Continued)

##### Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2022 £'000	Total 2021 £'000
Ripley St Thomas CE Academy	6,853	1,230	923	1,197	10,203	9,779
Carnforth High School	2,936	582	297	474	4,289	4,068
Morecambe Bay Academy	5,054	1,120	679	947	7,800	7,434
Central Lancaster High School	2,798	563	380	460	4,201	4,031
Central services	602	308	319	742	1,971	751
	<u>18,243</u>	<u>3,803</u>	<u>2,598</u>	<u>3,820</u>	<u>28,464</u>	<u>26,063</u>

#### 19 Analysis of net assets between funds

	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	42,966	42,966
Current assets	770	6,066	8,318	15,154
Current liabilities	-	(3,495)	(110)	(3,605)
Non-current liabilities	-	-	(374)	(374)
Pension scheme asset	-	33	-	33
<b>Total net assets</b>	<u>770</u>	<u>2,604</u>	<u>50,800</u>	<u>54,174</u>

	Unrestricted Funds £'000	General £'000	Restricted funds: Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	36,189	36,189
Current assets	725	6,175	5,591	12,491
Current liabilities	-	(1,829)	-	(1,829)
Non-current liabilities	(30)	(262)	-	(292)
Pension scheme liability	-	(11,007)	-	(11,007)
<b>Total net assets</b>	<u>695</u>	<u>(6,923)</u>	<u>41,780</u>	<u>35,552</u>

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 20 Pension and similar obligations

The 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 Lancashire County Pension Fund. Both are multi-employer defined benefit schemes.

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 £382,000 were payable to the schemes at 31 August 2022 (2021: £370,000) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £2,427,000 (2021: £3,318,000).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are set out below:

Ripley St Thomas CE Academy:	19.2%
Carnforth High School:	19.2%
Morecambe Bay Academy:	17.0%
Central Lancaster High School:	17.0%

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.

As described in note 1 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

Total contributions made	2022 £'000	2021 £'000
Employer's contributions	836	836
Employees' contributions	245	248
Total contributions	1,081	1,084

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	4.4	4.2
Rate of increase for pensions in payment/inflation	3.0	2.8
Discount rate for scheme liabilities	4.3	1.7
Inflation assumption (CPI)	2.9	2.7

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

	2022 Years	2021 Years
Retiring today		
- Males	22.3	22.4
- Females	25.0	25.1
Retiring in 20 years		
- Males	23.7	23.9
- Females	26.8	26.9

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

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

	2022
	£'000
Discount rate + 0.1%	(372)
Discount rate - 0.1%	380
Mortality assumption + 1 year	355
Mortality assumption - 1 year	(349)
CPI rate + 0.1%	381
CPI rate - 0.1%	(374)
	<u>          </u>

#### The Trust's share of the assets in the scheme

	2022	2021
	Fair value	Fair value
	£'000	£'000
Equities	8,360	7,884
Other bonds	779	827
Cash and other liquid assets	283	328
Property	1,930	1,561
Other assets	6,358	5,011
	<u>          </u>	<u>          </u>
Total market value of assets	17,710	15,611
	<u>          </u>	<u>          </u>

The actual return on scheme assets was £1,213,000 (2021: £1,859,000).

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

	2022	2021
	£'000	£'000
Current service cost	1,909	880
Interest income	(273)	(239)
Interest cost	476	398
Benefit changes, curtailments and settlements gains or losses	(24)	(26)
Administration expenses	24	26
	<u>          </u>	<u>          </u>
Total operating charge	2,112	1,039
	<u>          </u>	<u>          </u>

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

20	Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations		2022	2021
		£'000	£'000
At 1 September 2021		26,618	22,011
Current service cost		1,909	1,690
Interest cost		452	398
Employee contributions		245	248
Actuarial (gain)/loss		(11,376)	2,400
Benefits paid		(171)	(129)
At 31 August 2022		17,677	26,618
Changes in the fair value of the Trust's share of scheme assets		2022	2021
		£'000	£'000
At 1 September 2021		15,611	12,823
Interest income		273	239
Actuarial gain		940	1,620
Employer contributions		836	836
Employee contributions		245	248
Benefits paid		(171)	(129)
Effect of non-routine settlements and administration expenses		(24)	(26)
At 31 August 2022		17,710	15,611

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 21 Reconciliation of net income to net cash flow from operating activities

	Notes	2022 £'000	2021 £'000
Net income for the reporting period (as per the statement of financial activities)		6,306	4,852
Adjusted for:			
Capital grants from DfE and other capital income		(7,702)	(5,115)
Investment income receivable	6	(2)	(1)
Defined benefit pension costs less contributions payable	20	1,073	880
Defined benefit pension scheme finance cost	20	203	159
Depreciation of tangible fixed assets		174	138
Amortisation of leasehold buildings		302	307
(Loss)/profit on disposal of fixed assets		-	(1)
(Increase) in debtors		(1,774)	(2,373)
Increase/(decrease) in creditors		1,772	(433)
<b>Net cash provided by/(used in) operating activities</b>		<b>352</b>	<b>(1,587)</b>

#### 22 Analysis of changes in net funds

	1 September 2021 £'000	Cash flows £'000	31 August 2022 £'000
Cash	6,711	888	7,599
Loans falling due within one year	(63)	(4)	(67)
Loans falling due after more than one year	(292)	(82)	(374)
	<b>6,356</b>	<b>802</b>	<b>7,158</b>

#### 23 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any leasehold building the Trust is required to either re-invest the proceeds or to repay the Secretary of State for Education or the Diocese the proceeds of the sale or disposal as these two bodies would jointly have an interest in the proceeds of any sale.

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 24 Long-term commitments

##### Operating leases

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

	2022 £'000	2021 £'000
Amounts due within one year	36	19
Amounts due in two and five years	1	13
	<u>37</u>	<u>32</u>

#### 25 Capital commitments

	2022 £'000	2021 £'000
Expenditure contracted for but not provided in the accounts	6,339	5,591

#### 26 Related party transactions

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

The only related party transaction in the year was a donation of £10,000 from Lancaster, Ripley Church of England Educational Trust which was a contribution towards the Chaplain's salary costs at Ripley. This was spent in full during the year.

##### Income related party transactions

During the year J Crewdson who is a trustee has made monthly donations of £20 totalling £240. V Wilson who is a trustee has made monthly donations of £10 totalling £120.

#### 27 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.

# THE BAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 28 Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ended 31st August 2022 the trust received £47,000 (2021: £44,000) and disbursed £47,000 (2021: £51,000) from the fund.

An amount of £nil (2021: £nil) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

Similarly, the Trust distributes School Centred Initial Teacher Training (SCITT) Bursary funding to student teachers as an agent for the Department for Education. In the accounting year ending 31st August 2022, the trust received £384,000 (2021: £524,000) and disbursed £357,000 (2021: £524,000) from the fund. The balance of £27,000 (2021: £nil) is included in other creditors in relation to undistributed funds.

#### 29 Teaching schools trading account

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Direct income</b>				
Government grants		-		42
<b>Direct costs</b>				
Direct staff costs	-		36	
Other direct costs	-		3	
	<u>-</u>		<u>39</u>	
<b>Other costs</b>				
Support staff costs	-		4	
Catering	-		2	
	<u>-</u>		<u>6</u>	
<b>Total expenditure</b>		-		(45)
<b>Deficit from all sources</b>		-		(3)
Teaching schools balances at 1 September 2021		42		45
<b>Teaching schools balances at 31 August 2022</b>		<u>42</u>		<u>42</u>