

Company Registration No. 09187505 (England and Wales)

**THE BEC TRUST (TRADING AS THE ARCHBISHOP
LANFRANC ACADEMY)**

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

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THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mrs G D Ozah
Mr M del Rio (Accounting Officer)
Miss F A Smith
Mr C Kinch (Chair)
Mr A Buckland
Mr M Morley
Mrs D Geoghegan
Mrs A Thomas MacGregor (Resigned 14 October 2019)
Mrs V Nareshkumar (Appointed 10 November 2019)
Mr K A Warne (Appointed 10 December 2019)
Miss O J Hansom (Appointed 10 December 2019 and resigned 31 August 2020)

Members

Mr C A Kinch
Sister F A B Wright
Mr R J Huggett

Accounting Officer

Mr M del Rio

Senior management team

- Chair of Governors	Mr C Kinch
- Principal	Mr M del Rio
- Vice Principal	Mr R Ellis
- Assistant Vice Principal	Mr J Atkinson
- Assistant Principal	Mr R Middlecoat
- Director of Learning	Mrs G Sheridan
- Director of Learning	Mr A Barlow
- Lead Practitioner	Mrs V Owusu-Daaku

Company registration number

09187505 (England and Wales)

Registered office

The Archbishop Lanfranc Academy
Mitcham Road
Croydon
CR9 3AS

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Bank Plc
1 Churchill Place
Canary Wharf
London
E14 5HP

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and 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 (FRS102).

The Archbishop Lanfranc Academy – The Bec Trust (“the Academy Trust”) operates one nursery and one secondary academy for pupils aged 11 to 16 in the London Borough of Croydon. Its academies have a combined pupil capacity of 1,640 and had a roll of 610 in the school census on 1 October 2020.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Academy Trust was incorporated on 22 August 2014, in the name of The Archbishop Lanfranc Academy - Coloma Trust and commenced as an academy on 1 September 2014. The Academy Trust changed its name to The Bec Trust on 21 March 2019. The Academy Trust has entered into a funding agreement with the Department for Education which provides the framework within which the Academy Trust must operate.

The Trustees of the Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company operates as The Bec Trust. 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.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees' Indemnities

In accordance with the Articles of Association, subject to the provisions of the Companies Act 2006 and Article 6.3, every Trustee or other officer or auditor of the Company and every member of any Local Governing Body and/or Advisory Body (in so far as necessary) shall be indemnified out of the assets of the Company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

Principal Activities

The Academy Trust's objectives are specifically restricted to the following:

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

Method of recruitment and appointment or election of Trustees

The initial Members of the Academy shall be the subscribers to the Memorandum of Association.

The subsequent Trustees of the Academy Trust shall comprise the following:

- i. Up to 8 Trustees appointed by ordinary resolution of the Members;
- ii. A minimum of two Parent Trustees;
- iii. Up to 1 Staff Trustee; and
- iv. Co-opted Trustees.

The Bec Trust appoint up to 8 Trustees, including the Principal. Other Governors are recruited through nomination and ballot in accordance with the Articles of Association. A robust selection process is undertaken before an appointment is made. All Governors have completed a Skills Audit. This allows the Governing Body to identify the skills and attributes of the Governing Body as a whole and highlights any gaps that need to be addressed in the future.

The Secretary of State for Education may appoint Trustees in certain circumstances; no such appointments were made in the year under review.

The term of office for any Trustee shall be four years, excepting the Principal who remains as a Trustee whilst in post. Subject to remaining eligible to be a particular type of Trustee any Trustee may be re-appointed or re-elected.

A Trustee shall cease to hold office if they resign their office by notice to the Academy Trust (but only if at least three Trustees will remain in office when the notice of resignation is to take effect).

A Trustee shall cease to hold office if they are removed by the person or persons who appointed them. This Article does not apply in respect of a Parent Trustee.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of Trustees

On appointment Trustees are provided with copies of all essential documentation needed to undertake their role, including:

- Memorandum of Association;
- ESFA Academies Financial Handbook;
- Governance Handbook;
- Keeping Children Safe in Education;
- Funding Agreement;
- Structure of the Board / Committees and Terms of Reference;
- Recent Board of Governors / Committee Minutes;
- Current and Proposed Budgets / most recent management accounts;
- Prospectus;
- Academy Improvement Plan;
- Ofsted Reports; and
- Key Performance Indicators.

Appropriate training is provided to Trustees to ensure that they are able to effectively discharge their duties. External training is available, e.g. The National Governance Association (NGA), Octavo (previously Croydon Local Authority provider) or the SSAT (Schools Network), in addition to using the expertise and experience of staff and Trustees from the Academy Trust.

Organisational Structure

The board of Trustees of The Academy Trust is constituted under the memorandum and articles of association. The Board of Trustees is responsible for ensuring high standards of corporate governance are maintained.

The Trustees are responsible for the strategic direction of the Academy Trust, setting policy and agreeing the annual budget. Trustees are also responsible for monitoring the work of the Academy and ensuring the objectives of the Academy are achieved.

In addition to the full Board of Trustees meetings, The Academy Trust has a committee structure. The main committees are Audit, General Purposes, Education and Pay.

The remit of the Audit Committee is to exercise responsibility for, and oversight of, the Academy Trust's internal and external audits, including recommending the appointment of auditors, policy and procedures in respect of internal financial controls, internal audit functions and risk assessment policy.

The remit of the General Purposes Committee is to exercise responsibility for, and oversight of, the Academy's overall finances, including monitoring performance against the annual budget, approving senior staff appointments and approving a scheme of financial delegation and financial procedures. They also exercise responsibility for, and oversight of, personnel, marketing and the premises.

The remit of the Education Committee is to exercise responsibility for, and oversight of, the Academy Trust's policies procedures and plans and monitor implementation in relation to students, parents and community links. This includes safeguarding, pastoral care, admissions and standards of teaching and learning.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees make regular visits to the Academy to enhance their knowledge of its day to day running. Feedback from these visits is shared at board of trustee meetings.

The Executive Officer of the Academy Trust is the Principal of the Academy. The Principal is also the Accounting Officer. The Principal is responsible for implementing the policies laid down by the Trustees and reporting back to them and control of the Academy at an executive level. The Principal/Accounting Officer is also responsible for appointing staff and managing expenditure within agreed budgets. A Finance Director is responsible for day to day financial management.

The Senior Leadership Team includes the Principal, one Vice Principal, one Assistant Vice Principal, two Assistant Principals and four Directors of Learning. These managers are responsible for the day to day operation of the Academy, in particular organising teaching staff, facilities and students.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Responsibility for Pay Decisions

The Committee with responsibility for pay is the Pay Committee. This committee has fully delegated powers to make decisions related to the pay of teachers and support staff of the Academy.

The terms of reference for the Committee, with respect to pay are as follows:

"Implement the Pay Policy with consideration to staffing and financial budget plans, ensuring appropriate funding is allocated to pay progression at all levels and across all groups".

Leadership and Teaching Staff

The employer will take into account the following criteria when deciding on the pay range of each leadership or Main Range teaching post:

- i. The nature of the work done;
- ii. The scale of the challenges and demands faced;
- iii. The professional competencies required;
- iv. The pay rate needed in order to attract and retain the right candidate or other market conditions;
- v. The level or range of qualifications, skills and experience required; and
- vi. Other criteria as considered appropriate.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

For those appointed to the Leadership Group, on appointment each person will be allocated a salary range within the Leadership Group Pay Range (STPCD):

- i. Different posts may be paid on different individual post ranges within the overall pay range. The salary range will not be transferable between different Leadership posts;
- ii. All Leadership and Teaching staff must demonstrate sustained high quality performance, with particular regard to their specific role, achievement of their performance objectives and the appropriate teachers' standards. Each employee's contribution will be subject to a review of performance before any performance pay increase will be awarded. The application of the criteria for Leadership Group or Main Range progression will be taken fully into account but pay progression is not automatic and is linked to performance;
- iii. The separate policy relating to Performance Review at The Archbishop Lanfranc Academy specifies the processes in place for managing performance;
- iv. Those employed on a part-time basis will be given a salary pro-rata and in line with the STPCD calculator to ensure consistency with their full-time colleagues; and
- v. Teachers working on a day-to-day or other short notice basis will have their pay determined in line with the STPCD calculator.

Pay Progression Based On Performance

- i. During Academy inspections The Archbishop Lanfranc Academy is assessed on how well the senior team are managing staff performance and using the staff budget to differentiate appropriately between high and low performers;
- ii. In each pay review cycle recommendations from the Principal will be presented and discussed by the Pay Committee. Approval, or reasons for no progression, will be provided in each case so these can be passed back to each employee;
- iii. There will be no automatic entitlement to a pay rise each year and all increases will be determined by an assessment of performance; and
- iv. A determination for 'no progression' can be made without recourse to the capability procedure. Also, those subject to formal capability proceedings will normally not progress up the pay range in the year when they are being supported using the capability procedure.

Trade Union Facility Time

The Trust employed more than 49 full time employees during the financial year and therefore it must disclose trade union facility time in accordance with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017. The Trust recognise the valuable support and advice trade unions provide to teaching and non-teaching staff.

Some employees at the school are trade union members. There are no union representatives employed by the school.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Related Parties and Other Connected Charities and Organisations

The Academy has informal partnerships with six local primary schools, working hard to maintain relationships to smooth the transition from primary to secondary education. This includes running 'Academy Days' where primary school students are hosted on site in a Faculty, foreign language lessons led by staff and older students and Student Sports' Ambassadors going to visit Primary Schools.

The Academy has collaborated very successfully with Football Beyond Borders, a charity working with students to improve their academic and vocational excellence through sport. This includes academic mentoring and support for both boys and girls. They facilitate a Homework Club, overseas trips, opportunities to meet and interview personalities from the world of sport leading to improvements in behaviour, attendance and academic attainment for 80% of the students involved. The Academy also works with KICK London to provide specialised mentoring support for students and has benefitted from a two year funded programme called Stepping Stones, sponsored by the Mayor of London's fund, which aims to support transition from Primary to Secondary education. The Academy has worked with 'The Reach Out Project' aimed at addressing achievement gaps amongst BAME students and raising aspirations through professional mentoring and work experience opportunities.

The Academy provides a wide range of enrichment activities to develop personal responsibility in students, support healthy lifestyles and promote participation in local community projects and activities.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of the Academy to advance, for the public benefit, education in the United Kingdom, for students of different abilities between the ages of 0 and 5 (nursery) and 11 and 16 (secondary). The aim is the rapid transformation into a successful, sustainable, high achieving academy for students of all abilities through the appointment of specialist, well qualified, staff and the embedding of a clear, focused and consistently applied ethos.

The main objectives of The Archbishop Lanfranc Academy during the year ended 31 August 2020 are summarised below:

- to enable every student to fulfil their potential;
- to focus on raising standards and the progression of all students;
- to improve effectiveness by regular review of all aspects of educational provision and the organisational structure of the Academy;
- to improve the quality of teaching and learning;
- to provide good value for money in the use of delegated funds; and
- to conduct all business of the Academy in accordance with the highest standards of integrity, probity and openness.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives, Strategies and Activities

The main priorities of the Academy are to ensure high standards of teaching and learning, to recruit and retain high quality teaching and support staff and to establish an excellent pastoral and student support team so that all students will be encouraged to achieve their full potential.

Activities provided include:

- opportunities for all students to gain appropriate academic qualifications through consistently good teaching and on-going support;
- training and development opportunities for all staff;
- teaching staff professional development initiative to improve teaching & learning;
- a programme of enrichment activities for all students; and
- careers advisory scheme to help students progress to further education, higher education, employment or training.

Public Benefit

Activities undertaken to further the Academy's purposes for the public benefit are:

- The Academy has provided education to all registered students;
- The Academy has established connections with the wider community through its crèche and nursery provision and the extensive use of the facilities out of hours by the local community; and
- Partnerships with local Primary Schools have been established and maintained.
- Primary school students have attended educational activities at the Academy.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT

Achievements and Performance

Student progress in 2020 cannot be accurately measured due to the cancellation of public examinations and the use of teacher assessed grades to make awards of qualifications to students. Progress in the preceding year (2018-19) as measured by public examination, placed the Academy comfortably within the top 5% of secondary schools in England and in second place in the London Borough of Croydon.

Overall attendance and persistent absenteeism were negatively impacted by the effects of 'lockdown' when some students returned in the summer term and others did not. Recruitment into Year 7 fell below target (in common with other secondary schools in the borough) due in part to record numbers of parents choosing to home-school their children during the pandemic.

	2020 Results	
	<i>Target</i>	<i>Actual</i>
Progress 8	0.2	N/A
Progress 8 Gap (PP/ Non-PP)	<0.20	N/A
Attainment 8	4.50	4.93
9-4 English and Maths	50%	61%
English Progress Target	0.00	N/A
Maths Progress Target	0.00	N/A
1AG	100%	100%
Ebacc	12%	13%
Attendance Target	95%	94.6%
Persistent Absentee Target	<9%	12.6%
Lateness Target	<1.5%	0.8%
Year 7 Recruitment Target	168	144

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Impact of Coronavirus

The decision to close schools in March 2020 necessitated a swift changeover to a new way of working via remote education. This was initially managed by use of our 'in-house' remote desktop system with work being set and assessed online by teachers and paper copies being sent to students who had no access to the internet, computers or similar devices. Within a few weeks this migrated to MS Teams to allow more functionality and to support a wider audience at once via a cloud based system. Online lessons were introduced in the latter half of the summer term and students were then invited in on rotation before school finished for the summer break.

The Academy received a small number of laptops and wireless routers from the DfE for distribution to those disadvantaged students who lacked internet access/ internet enabled devices at home.

Staff were placed on a rota system to limit the numbers on site each day and education was provided daily from Monday to Friday to those identified as vulnerable or to the children of keyworkers. There were a small number of students therefore who continued to attend school on a daily basis and others who attended sporadically when parents were at work. Students identified as vulnerable who were not in attendance at school were contacted on a daily, bi-weekly or weekly basis depending on need.

All students remained in regular contact with their Form Tutors via MS Teams for pastoral issues and support and were in daily contact with their subject teachers via the online platform.

Student engagement data was reviewed by the Leadership Team on a bi-weekly basis and where gaps were identified pastoral calls were made to identify issues with the completion of assigned work.

The extended period of school closure necessitated a 'catch up' programme for students entering the Academy in Year 7 in September 2020 as well as additional support for those in existing yeargroups who had fallen behind. Exam year students have benefitted from daily after school catch up sessions to support their preparation for GCSEs in the coming academic year.

As a consequence of the closing down of large segments of the building during the period of school closure, substantial savings were made in utility bills which ultimately meant that the Academy finished the year with a reduced in-year deficit versus the planned in-year deficit for 2019-20. The cancellation/ non-renewal of services which were due for renewal in the period of closure also allowed the Trust to reduce its overall costs for 2019-20.

A significant increase in the number of students being removed from mainstream schools to home education by their parents during the period of the pandemic across the borough, coupled with a number of students of overseas origin returning to their country of origin in this period of uncertainty, led to a lower than expected number of admissions into Year 7. However, through in-year admissions into existing yeargroups this shortfall in numbers has largely been addressed.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Exceptional Covid Costs

The Academy made a single claim for exceptional funding relating to the coronavirus during the financial year. This claim was made against the provision of supermarket vouchers to Free School Meal entitled students immediately after the announcement of school closure and for the period prior to the introduction and adoption of the national scheme established for this purpose. The claim amounted to £3803.00 and was submitted prior to the deadline in July 2020. Reimbursement was received in September 2020. The Academy ran a planned deficit budget in 2019-20 and so met the criteria laid out by the DfE to claim this sum of money.

Key performance indicators

The Trustees regularly review The Academy's actual income and expenditure against the authorised budget. Changes to the budget to reflect new information with regard to income or expenditure are approved in line with the authorisation limits established in the Scheme of Delegation.

Ratio analysis and benchmarking is performed annually to ensure that the Academy is applying its resources efficiently and effectively to achieve the best possible educational outcomes.

- Unrestricted income (excludes income from grants and delegated funding) as a percentage of total income (excluding fixed asset donations): 8% (2019: 7%)
- Staff costs as a percentage of total costs (excluding fixed asset disposals): 67% (2019: 63%). Investing in quality staff has been fundamental in recruiting and retaining the right staff to raise pupil performance and improve teaching and learning standards
- Salary Expenditure: £3,260,050 (2019: £2,788,166)
- Total Income Grants: £3,478,260 (2019: £3,059,428).
- Staff costs as a percentage of grant income: 94% (2019: 91%)
- Net outgoing resources (before transfers and pension adjustments): £898,198 (2019: £1,099,295)
- Current Ratio (current assets/current liabilities): 2.88:1 (2019: 2.99:1)
- Cash at bank and in hand (liquidity): £895,463 (2019: £1,093,009).

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial Review

The majority of the Academy Trust's income is derived from the Education and Skills Funding Agency (ESFA), an agent of the Department for Education (DfE), in the form of recurrent grants, the use of which is limited to specific purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The in-year deficit (excluding actuarial gains and losses on defined benefit pension schemes) in the year ended 31 August 2020 is £898,198 (2019: £1,099,295). The actual surplus/(deficit) position of reserves as at 31 August 2020 is as follows:

- Restricted income fund: £262,971 (2019: £458,521);
- Restricted fixed asset fund: £25,400,744 (2019: £26,050,602);
- Pension reserve: (£2,457,000) (2019: (£2,628,000));
- Unrestricted income fund: £451,447 (2019: £393,595).

The Academy Trust's net fund position is £23,658,162 (2019: £24,274,718), which includes a total of £23,206,715 (2019: £23,881,123) in restricted funds, which amounts to £25,663,715 (2019: £26,509,123) when excluding the Academy Trust's liability in respect of the Local Government Pension Scheme.

Reserves Policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams and the need to match income with commitments. The level of reserves will be kept under review and is necessary to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and planned changes such as managing the increasing roll year on year whilst funding is lagged. Reserves may be used to achieve the objectives of the Academy at any time at the discretion of the Trustees.

As experienced nationally, the Trustees are aware of a net deficit on both the teachers and local government pension funds. However this does not present an immediate liability and drain on reserves, as the deficit is being addressed by means of an actuarially calculated long term increase in the employer's contribution towards the fund. This increase will have an effect on the cash flow of the school annually, but will not result in a direct impact on the free reserves.

Investment Policy

The Academy holds funds for the operation of the school in a current account. It holds no other realisable investments. The Trustees agree all investments made by the Academy are in line with the Charity Commission guidance. Investments are currently restricted to deposit accounts held in UK banks, and an investment property recognised in the prior year. The purpose of the investment property is to receive rental income which will be used to fund educational and non-educational expenditure.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal Risks and Uncertainties

The Academy Trust has a formal risk management process in place to identify and assess risks associated with the organisation; this enables the instigation of risk mitigation strategies. A Risk Register is in place which is subject to regular review. Key members of staff and Trustees are involved in the preparation of the Risk Register, overseen by the Audit Committee. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk. The Risk Register identifies the types of risk the Academy Trust might encounter and rates the risks in terms of likelihood and impact. This process determines the most significant risks, appropriate strategies to be implemented and the allocation of resources.

As the majority of the Academy Trust's funding is derived from the ESFA, via the Department for Education, the Trustees consider this element of funding to be reasonably secure. The most significant risks relating to this income result from changing government policy on school funding, the effect of increasing contribution rates for stakeholder pensions and NI rebate deletion, and the effect of changing pupil numbers. The Trustees have laid out their strategies for dealing with these risks within the Academy Trust's risk register.

The education sector is one in which there is constant change and therefore there is continual need to identify and address risks and uncertainty. The responsibility to identify and react to risk rests with the Trustees and Senior Leadership Team.

The Trust has adopted a policy whereby risks are monitored on a likelihood and impact basis. As such, the key risks facing the Trust are detailed below:

- i. Competition from other schools
- ii. Failure to attract sufficient students;
- iii. Failure to retain / recruit high quality and experienced staff
- iv. Failure to remain a 'Going Concern' / budget deficit;
- v. Quality of service / unfavourable Ofsted Inspection;
- vi. Failure to retain / recruit Governors with appropriate skills;
- vii. There is a fundamental change in the approach taken by Government to pension liabilities; and
- viii. There is a breakdown in safeguarding arrangements with either a real or perceived risk to students.
- ix. Failure to comply with the requirements of the Academies Financial Handbook.

The risks are mitigated in a number of different ways, including:

- i. By ensuring the Academy is rigorous in delivering high quality education and training;
- ii. By employing creative marketing strategies and establishing links within the community and local primary schools;
- iii. By closely monitoring financial performance. Careful management will allow a budget surplus to be carried forward to mitigate the reduced funding stream during years where numbers are growing annually following lagged funding;
- iv. By following Health and Safety legislation and guidance;
- v. By ensuring that all 'Safer Recruitment' checks are completed and statutory guidance for the protection of children is followed;
- vi. By seeking professional advice whenever necessary to mitigate against these risks; and
- vii. By procuring comprehensive insurance cover.

There are other risk factors that may also adversely affect the Academy Trust, and it should be noted that not all such risks are within the Academy Trust's control.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial Instruments

Credit Risk

Exposure to bad debts is not significant as the majority of the Academy's income is received from public bodies e.g. DFE, ESFA, Croydon Council. Other receivable balances are monitored regularly.

Cash flow and liquidity

The Academy Trust manages liquidity risk by continuously monitoring expenditure plans, cash flow forecasts and cash balances to ensure that it can meet its financial obligations.

Equal Opportunities and Disabled persons policies (Equalities Policy)

The Academy's equalities statement outlines the commitment of the staff and Trustees of The Archbishop Lanfranc Academy – The Bec Trust to ensure that equality of opportunity is available to all members of the Academy community. For our Academy this means, not simply treating everybody the same but, understanding and tackling the different barriers which could lead to unequal outcomes for different groups of students in the Academy. It also means celebrating and valuing the equal opportunity achievements and strengths of all members of the Academy community. These include:

- Students / students on placement;
- Teaching / support staff;
- Parents/carers;
- Trustees;
- Multi-agency staff linked to the Academy; and
- Visitors to the Academy.

The Trustees believe that equality at the Academy should permeate through all aspects of Academy life and is the responsibility of every member of the Academy Trust and wider community. Every member of the Academy community should feel safe, secure, valued and of equal worth.

At The Archbishop Lanfranc Academy, equality is a key principle for treating all people the same irrespective of their gender, ethnicity, disability, religious beliefs, sexual orientations, age or any other recognised area of discrimination.

The Academy Trust is an Equal Opportunities Employer and is committed to the employment of people with disabilities and guarantees an interview for those who meet minimum selection criteria. The Academy provides training and development for all its employees, including people with disabilities, tailored where appropriate, to ensure they have the opportunity to achieve their potential. If an Academy employee becomes disabled the Academy will do its best to retain them, including consulting them about their requirements, making reasonable and appropriate adjustments, and providing alternative suitable provisions.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Employee Information Policy

The Academy Trust undertakes discussions with employees and their unions when making decisions that affect employee interests to ensure that employees' views are reflected in decisions made and their interests are protected. Trustees conduct visits to the Academy which enable them to engage with staff and students. One member of staff is included on the Academy Board (in addition to the Principal).

Fundraising

The Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for Future Periods

The Academy intends to continue as an unsponsored Single Academy Trust. Having obtained a 'good' Ofsted rating, with improving results and new facilities the sponsors feel it is now time for the Academy to move forward on its own. The intention of the Academy is to seek to become an all-through provision in the next few years, to capitalise on strengths in both nursery and secondary provision and to secure rapid increases in pupil numbers. Leadership of the Academy on a day to day basis will remain unchanged.

Funds Held as Custodian Trustee on Behalf of Others

Neither Archbishop Lanfranc Academy - The Bec Trust nor any of its Trustees act as a custodian trustee.

Auditor

The trust appointed UHY Hacker Young LLP, Quadrant House, 4 Thomas Moore Square, London E1W 1YW as its auditors in 2018 after a tender process.

The trustees at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the Academy Trust's auditor is unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on ~~10/12/2020~~ and signed on its behalf by:



Mr C Kinch
Chair

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Archbishop Lanfranc Academy - The Bec Trust ("the Academy 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.

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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs G D Ozah	6	7
Mr M del Rio (Accounting Officer)	11	11
Miss F A Smith	8	8
Mr C Kinch (Chair)	8	8
Mr A Buckland	7	7
Mr M Morley	7	7
Mrs D Geoghegan	6	7
Mrs A Thomas MacGregor (Resigned 14 October 2019)	6	6
Mrs V Nareshkumar (Appointed 10 November 2019)	5	5
Mr K A Warne (Appointed 10 December 2019)	7	7
Miss O J Hansom (Appointed 10 December 2019 and resigned 31 August 2020)	5	5

The Board has remained mostly unchanged throughout the year with the addition of two new parent trustees and the resignation of one staff trustee. The Chair and Vice Chair have remained in post.

The Board has reviewed its composition ensuring that a balance is maintained which reflects the needs of the Trust. Individual trustees have backgrounds in finance, law and education and collectively bring a considerable amount of experience in the monitoring and oversight of public finances, safeguarding and special educational needs, management structures and risk management.

The Board continues to seek additional Trustees with appropriate experience, particularly in the world of education.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Audit Committee is a sub-committee of the main Governing Body. The purpose of the Audit Committee is to share in managing and monitoring the organisation's finances. The Audit Committee has formally met 3 times during the year for monitoring meetings. The Audit Committee oversees the year end audit process.

This Audit Committee provides an opportunity for detailed discussion and consideration of financial matters, with regular reporting to the full Board of Trustees. It is given delegated authority for most financial decision-making, but the full Board of Trustees as a whole remains accountable and must still remain actively engaged in financial and premises matters.

Benefits of the Audit Committee include:

- Helping to prevent fraud by ensuring that all tasks associated with the finance function are not performed by one person without supervision from others (segregation of duties);
- Allowing Full Governing Body meetings to focus on a wider range of issues, as detailed financial discussions can take place within the sub committee;
- Enabling more democratic control of the organisation's finances;
- Spreading the burden of financial management, thereby also potentially improving its quality; and
- Helping train new committee members in financial related matters.

Matters discussed during the year to 31 August 2020 include:

- Full review of finance policies;
- Agreement of updated financial regulations and scheme of delegation;
- Regular review of the current financial position;
- Review of long term (3-5 years) financial position;
- Continuation of the audit committee to meet statutory needs; and
- Consideration of the school's assets and fulfilment of the Trust's charitable obligations to maximise the benefit of those assets with regard to asset disposal and reinvestment.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr A Buckland	3	3
Mr C Kinch	2	3
Mr M Morley	3	3
Mr K Warne (appointed 10 December 2019)	2	2
Mr M del Río (Accounting Officer)	3	3

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The General Purposes Committee is a sub-committee of the main Governing Body. The purpose of the General Purposes Committee is to share in managing and monitoring the organisation's premises. The General Purposes Committee has formally met 3 times during the year for monitoring meetings.

This General Purposes Committee provides an opportunity for detailed discussion and consideration of property matters, with regular reporting to the full Board of Trustees. It is given delegated authority for most property related decision-making, but the full Board of Trustees as a whole remains accountable and must still remain actively engaged in financial and premises matters.

Benefits of the General Purposes Committee include:

- Allowing Full Governing Body meetings to focus on a wider range of issues, as detailed estates discussions can take place within the sub-committee;
- Enabling more democratic control of the organisation's estate;
- Spreading the burden of premises management, thereby also potentially improving its quality; and
- Helping train new committee members in premises related matters.

Matters discussed during the year to 31 August 2020 include:

- Full review of estates policies;
- Assurance work on health and safety matters relating to the estate;
- Investigations into furthering the Trust's charitable aim through community involvement;
- Continuation of the General Purposes committee to meet statutory needs;
- Review of capital grants received in year for the improvement of the estate;
- Consideration of the school's assets and fulfilment of the Trust's charitable obligations to maximise the benefit of those assets with regard to asset disposal and reinvestment; and
- Staffing and recruitment.

Attendance at General Purposes Committee meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr A Buckland	3	3
Mr C Kinch	2	3
Mr M Morley	3	3
Mr K Warne	2	2
Mr M del Río (Accounting Officer)	3	3

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Education Committee is also a sub-committee of the main board of trustees. Its purpose is to:

- Monitor progress towards KPIs;
- Agree a staffing complement and discuss any changes necessary to the effective management of the organisation;
- Discuss curriculum and pastoral changes; and
- Review the effectiveness of curriculum models and intervention strategies.

Attendance at meetings in the Education Committee was as follows:

Trustees	Meetings attended	Out of possible
Mrs G D Ozah	3	3
Mr M del Río (Accounting Officer)	3	3
Miss F A Smith	3	3
Ms O Hansom (resigned 31 August 2020)	2	2
Ms V Nareshkumar (appointed 10 December 2019)	2	2
Mr K Warne (appointed 10 December 2019)	2	2
Mrs D Geoghegan	2	3

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Reducing overall operational costs by 'moth-balling' areas of the building during time of school closure.
- Matching the staffing complement to the number of students to ensure that costs remain in ratio.
- Changing contractors / suppliers where marketplace prices have enabled a reduction in overall costs.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 the Academy Trust's 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 Academy Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and have appointed Kreston Reeves, as internal auditor. The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

In particular the checks carried out in the current period include:

- Payroll;
- Purchases;
- Income;
- Accounting systems;
- Financial Planning and Monitoring; and
- Governance.

On a bi-annual basis, the internal audit reports to the Board of Trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The internal auditor (Kreston Reeves) has carried out two audits during the year in February and May 2020. Due to the restrictions in place at the time the May visit was conducted remotely with evidence being sought and provided electronically.

The two internal audits resulted in one medium recommendation. Management Accounts delivered to the Board had included only three of the four required documents. The cash flow statement had not been sent regularly from September 2019 until February 2020. This was rectified retrospectively and all Management Accounts sent monthly to the Board going forward have included all four of the prescribed elements.

Review of Effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question his review has been informed by:

- the work of the Internal Auditor;
- the work of the External Auditor; and
- the work of the executive managers within the Academy 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 10/12/2020 and signed on its behalf by:



Mr M del Rio
Accounting Officer



Mr C Kinch
Chair

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As Accounting Officer of The Bec Trust (trading as The Archbishop Lanfranc Academy) I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

Mr M del Rio
Accounting Officer


.....

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of The Bec Trust (trading as The Archbishop Lanfranc Academy) for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on ...10/12/2020 and signed on its behalf by:


.....
Mr M del Rio

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BEC TRUST
(TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)
FOR THE YEAR ENDED 31 AUGUST 2020**

Opinion

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

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BEC TRUST
(TRADING AS THE ARCHBISHOP LANFRANC ACADEMY) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BEC TRUST
(TRADING AS THE ARCHBISHOP LANFRANC ACADEMY) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

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.



Colin Wright (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

23/12/2020

Chartered Accountants
Statutory Auditor

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC
ACADEMY) AND THE EDUCATION & SKILLS FUNDING AGENCY
FOR THE YEAR ENDED 31 AUGUST 2020**

In accordance with the terms of our engagement letter dated 9 July 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Bec Trust (trading as The Archbishop Lanfranc Academy) during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Bec Trust (trading as The Archbishop Lanfranc Academy)'s
accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Bec Trust (trading as The Archbishop Lanfranc Academy)'s funding agreement with the Secretary of State for Education dated 29 August 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC
ACADEMY) AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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

The work undertaken to draw to our conclusion includes:

- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

UHY Hacker Young
Reporting Accountant

Dated: 23/12/2020

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	261	-	11,914	12,175	11,319
Charitable activities:						
- Funding for educational operations	4	75,000	3,478,260	-	3,553,260	3,059,428
Other trading activities	5	225,160	-	-	225,160	247,676
Investments	6	331	-	-	331	804
Total		300,752	3,478,260	11,914	3,790,926	3,319,227
Expenditure on:						
Raising funds	7	180	-	-	180	7,169
Charitable activities:						
- Educational operations	8	184,765	3,788,812	715,367	4,688,944	4,411,353
Total	7	184,945	3,788,812	715,367	4,689,124	4,418,522
Net income/(expenditure)		115,807	(310,552)	(703,453)	(898,198)	(1,099,295)
Transfers between funds	19	(57,955)	-	57,955	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	286,000	-	286,000	(382,000)
Revaluation of investment property	14	-	-	(4,360)	(4,360)	(10,650)
Net movement in funds		57,852	(24,552)	(649,858)	(616,558)	(1,491,945)
Reconciliation of funds						
Total funds brought forward		393,595	(2,169,477)	26,050,602	24,274,720	25,766,663
Total funds carried forward		451,447	(2,194,029)	25,400,744	23,658,162	24,274,718

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

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

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted Funds £	General	Restricted funds: Fixed asset £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	164	-	11,155	11,319
Charitable activities:					
- Funding for educational operations	4	-	3,059,428	-	3,059,428
Other trading activities	5	247,676	-	-	247,676
Investments	6	804	-	-	804
Total		248,644	3,059,428	11,155	3,319,227
Expenditure on:					
Raising funds	7	7,169	-	-	7,169
Charitable activities:					
- Educational operations	8	230,353	3,441,347	739,653	4,411,353
Total	7	237,522	3,441,347	739,653	4,418,522
Net income/(expenditure)		11,122	(381,919)	(728,498)	(1,099,295)
Transfers between funds	19	-	(38,318)	38,318	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(382,000)	-	(382,000)
Revaluation of fixed assets	12	-	-	(10,650)	(10,650)
Net movement in funds		11,122	(802,237)	(700,830)	(1,491,945)
Reconciliation of funds					
Total funds brought forward		382,473	(1,367,242)	26,751,432	25,766,663
Total funds carried forward		393,595	(2,169,479)	26,050,602	24,274,718

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	12	24,989,754	25,635,252
Investment property	14	410,990	415,350
		<u>25,400,744</u>	<u>26,050,602</u>
Current assets			
Stocks	15	14,753	3,429
Debtors	16	183,654	183,022
Cash at bank and in hand		895,463	1,093,009
		<u>1,093,870</u>	<u>1,279,460</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(379,452)	(427,344)
		<u>714,418</u>	<u>852,116</u>
Net current assets			
		<u>26,115,162</u>	<u>26,902,718</u>
Net assets excluding pension liability			
Defined benefit pension scheme liability	20	(2,457,000)	(2,628,000)
		<u>23,658,162</u>	<u>24,274,718</u>
Net assets			
		<u>23,658,162</u>	<u>24,274,718</u>
Funds of the Academy Trust:			
Restricted funds	19		
- Fixed asset funds		25,400,744	26,050,602
- Restricted income funds		262,971	458,521
- Pension reserve		(2,457,000)	(2,628,000)
		<u>23,206,715</u>	<u>23,881,123</u>
Total restricted funds			
		<u>23,206,715</u>	<u>23,881,123</u>
Unrestricted income funds	19	451,447	393,595
		<u>23,658,162</u>	<u>24,274,718</u>
Total funds			
		<u>23,658,162</u>	<u>24,274,718</u>

The accounts on pages 30 to 58 were approved by the Trustees and authorised for issue on 10/12/2020 and are signed on their behalf by:


Mr M del Rio

Company Number 09187505

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash used in operating activities	22		(139,921)		(173,427)
Cash flows from investing activities					
Dividends, interest and rents from investments		331		804	
Capital grants from DfE Group		11,914		11,155	
Purchase of tangible fixed assets		(69,870)		(49,473)	
Net cash used in investing activities			(57,625)		(37,514)
Net decrease in cash and cash equivalents in the reporting period			(197,546)		(210,941)
Cash and cash equivalents at beginning of the year			1,093,009		1,303,950
Cash and cash equivalents at end of the year			895,463		1,093,009

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

The Bec Trust (trading as The Archbishop Lanfranc Academy) is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

At the time of approving the financial statements, the Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions, including the current and future impact of COVID-19, that may cast significant doubt on the ability of the trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. It is difficult to determine the full impact of COVID-19 to the trust, however after due considerations the Trustees 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 its operational activities and continue as a going concern. The Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

Grants

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

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

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	50 Years
Computer equipment	4 Years
Fixtures, fittings & equipment	5 Years

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 Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.7 Provisions

Provisions are recognised when the Academy 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 payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Investments

Investment properties are valued annually at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties, historical experience, and rent levels and cash flows of cash for the respective investment property. There is an inevitable degree of judgement involved and value can be only reliably tested ultimately in the market itself. Given the Trustees' knowledge of local market conditions, no third party valuation has been considered necessary.

1.10 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

Financial assets

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

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

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.

1.11 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.12 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.13 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education and Skills Funding Agency/Department for Education.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

Critical accounting estimates and assumptions

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.

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

Local Government Pension Scheme Deficit

Critical assumptions for LGPS

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 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) Guaranteed Minimum Pension (GMP)

GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

(2) Discount rates

There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

(Continued)

(3) Mortality assumptions

Details of the changes in mortality assumptions are shown in note 20. The actuarial calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

Depreciation

The Trustees estimate the useful economic lives and residual values of Buildings, Computer Equipment, Fixtures and Fittings and Motor Vehicles in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the statement of financial activities and the balance sheet.

The Trustees have reviewed the carrying values of the Trust's Buildings, Computer Equipment, Fixtures and Fittings, and Motor Vehicles and do not consider the assets to be impaired.

Investment property valuation

Investment properties are valued annually at fair value. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties, historical knowledge and rent levels and flows of cash for the respective investment property. There is an inevitable degree of judgement involved and value can be only reliably tested ultimately in the market itself. Given the property market knowledge and expertise of the trustees, no third party valuation has been considered necessary.

Critical areas of judgement

The Trustees must establish which areas of judgment are critical to the Academy Trust's financial statements. The Trustees consider that they have not made any critical judgements in the preparation of the financial statements.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	11,914	11,914	11,155
Other donations	261	-	261	164
	<u>261</u>	<u>11,914</u>	<u>12,175</u>	<u>11,319</u>

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,968,049	2,968,049	2,578,830
Other DfE grants	-	256,920	256,920	213,808
	-	3,224,969	3,224,969	2,792,638
Other government grants				
Local authority grants	-	193,463	193,463	230,457
Special educational projects	-	37,470	37,470	16,333
	-	230,933	230,933	246,790
Other funding				
Other incoming resources	75,000	22,358	97,358	20,000
Total funding	75,000	3,478,260	3,553,260	3,059,428

5 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	108,999	-	108,999	121,191
Catering income	71,236	-	71,236	85,819
Music tuition	2,680	-	2,680	1,449
Trip income	28,734	-	28,734	3,590
Nursery income	7,292	-	7,292	8,388
Other income	6,219	-	6,219	27,239
	225,160	-	225,160	247,676

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	331	-	331	804

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	-	-	180	180	7,169
Academy's educational operations					
- Direct costs	2,462,417	-	229,176	2,691,593	2,224,854
- Allocated support costs	679,579	1,008,273	309,499	1,997,351	2,186,499
	<u>3,141,996</u>	<u>1,008,273</u>	<u>538,855</u>	<u>4,689,124</u>	<u>4,418,522</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	12,000	12,000
- Other services	1,750	1,750
Depreciation of tangible fixed assets	715,367	739,653
Net interest on defined benefit pension liability	48,000	61,000

8 Charitable activities

	2020 £	2019 £
All from restricted funds:		
Direct costs		
Educational operations	2,691,593	2,224,854
Support costs		
Educational operations	1,997,351	2,186,499
	<u>4,688,944</u>	<u>4,411,353</u>

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****8 Charitable activities (Continued)**

	2020	2019
	£	£
Analysis of support costs		
Support staff costs	767,873	781,063
Depreciation	715,367	739,653
Technology costs	41,758	51,388
Premises costs	292,906	315,950
Other support costs	156,249	249,372
Governance costs	23,198	49,073
	<u>1,997,351</u>	<u>2,186,499</u>

9 Staff**Staff costs**

Staff costs during the year were:

	2020	2019
	£	£
Wages and salaries	2,288,194	1,984,093
Social security costs	237,847	197,311
Pension costs	613,322	457,789
	<u>3,139,363</u>	<u>2,639,193</u>
Staff costs - employees	3,139,363	2,639,193
Agency staff costs	1,939	18,406
Staff restructuring costs	694	5,000
	<u>3,141,996</u>	<u>2,662,599</u>
Staff development and other staff costs	118,054	125,567
	<u>3,260,050</u>	<u>2,788,166</u>

Staff restructuring costs comprise:

Redundancy payments	<u>694</u>	<u>5,000</u>
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THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

(Continued)

Staff numbers

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

	2020	2019
	Number	Number
Teachers	37	32
Administration and support	27	24
Management	4	5
	<u>68</u>	<u>61</u>

Higher paid staff

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

	2020	2019
	Number	Number
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1
	<u>4</u>	<u>3</u>

Non Statutory/non-contractual staff severance payments

Staff restructuring costs do not include any non-statutory/non-contractual severance payments.

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £566,827 (2019: £459,720).

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

Michael del Rio (head teacher)

Remuneration: £110,000 - £120,000 (2019: £100,001 - £105,000)

Pension: £20,001 - £30,000 (2019: £15,001 - £20,000)

Olivia Hansom (staff trustee)

Remuneration: £50,000 - £60,000 (2019: £nil)

Pension: £nil (2019: £nil)

During the year, travel and subsistence payments totalling £nil (2019: £48) were reimbursed to 0 trustees (2019: 1 trustee).

Other related party transactions involving the trustees are set out within the related parties note (note 24).

11 Insurance for Trustees and officers

In accordance with normal commercial practice, the Academy Trust has arranged for cover through the Department for Education's Risk Protection Arrangement (RPA) to protect governors and officers from the financial impact of claims arising from negligent acts, errors or omissions occurring whilst on academy business. The arrangement provides cover up to £5,000,000 on any one claim and is capped at a total of £5,000,000 for all claims in any year. The membership cost for the scheme is £25 per pupil and the Governors and Officers cover is included within the cost.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2019	26,256,746	636,143	299,010	37,750	27,229,649
Additions	11,315	49,941	8,614	-	69,870
At 31 August 2020	26,268,061	686,084	307,624	37,750	27,299,519
Depreciation					
At 1 September 2019	1,052,210	397,648	106,789	37,750	1,594,397
Charge for the year	525,179	129,719	60,470	-	715,368
At 31 August 2020	1,577,389	527,367	167,259	37,750	2,309,765
Net book value					
At 31 August 2020	24,690,672	158,717	140,365	-	24,989,754
At 31 August 2019	25,204,536	238,495	192,221	-	25,635,252

13 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	74,211	84,916
Carrying amount of financial liabilities		
Measured at amortised cost	314,881	293,641

The trustees have considered the Academy Trust's exposure to credit, cash flow and liquidity risks as part of its annual risk assessment procedures. Risks are assessed within the Academy Trust's risk register and monitored throughout the year. The trustees do not consider the Academy Trust to be materially exposed to credit, cash flow or liquidity risk, owing to sufficient bank balances and limited debtor exposures.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Fixed asset investments

	Investment property £
Market value	
At 1 September 2019	415,350
Change in value in the year	(4,360)
	<u>410,990</u>
At 31 August 2020	<u>410,990</u>
Historical cost:	
At 31 August 2020	97,000
	<u>97,000</u>
At 31 August 2019	<u>-</u>

In the year ended 31 August 2018, the Trustees designated a non-educational residential building on the school site to be used for the purposes of rental income and capital appreciation. The building and attached land were transferred from tangible fixed assets at net book value, and revalued to fair value as at 31 August 2018. Subsequent adjustments to this fair value have been realised in both the prior and current financial years (see note 12).

The fair value of the investment property has been arrived at on the basis of a valuation carried out as at 31 August 2020 by the Trustees who are considered to have sufficient experience of the local market. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The historical cost of the property is estimated to be £97,000 on the basis of the ESFA's valuation of the Academy Trust's land and buildings on conversion.

15 Stocks

	2020 £	2019 £
Uniforms	5,837	-
Catering	8,916	3,429
	<u>14,753</u>	<u>3,429</u>

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Debtors

	2020	2019
	£	£
Trade debtors	13,187	39,868
VAT recoverable	15,140	18,823
Prepayments and accrued income	155,327	124,331
	<u>183,654</u>	<u>183,022</u>

17 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	147,183	120,239
Other taxation and social security	60,167	49,902
Other creditors	20,805	19,642
Accruals and deferred income	151,297	237,561
	<u>379,452</u>	<u>427,344</u>

18 Deferred income

	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	<u>4,404</u>	<u>84,005</u>
Deferred income at 1 September 2019	84,005	49,785
Released from previous years	(84,005)	(49,785)
Resources deferred in the year	<u>4,404</u>	<u>84,005</u>
Deferred income at 31 August 2020	<u>4,404</u>	<u>84,005</u>

Deferred income consists of income received in advance for £4,404 (2019: £84,005) relating to catering income in the following financial year.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	458,523	2,968,049	(3,163,601)	-	262,971
Other DfE / ESFA grants	-	256,920	(256,920)	-	-
Other government grants	-	230,933	(230,933)	-	-
Other restricted funds	-	22,358	(22,358)	-	-
Pension reserve	(2,628,000)	-	(115,000)	286,000	(2,457,000)
	<u>(2,169,477)</u>	<u>3,478,260</u>	<u>(3,788,812)</u>	<u>286,000</u>	<u>(2,194,029)</u>
Restricted fixed asset funds					
Inherited on conversion	25,301,536	-	(525,179)	-	24,776,357
DfE group capital grants	714,466	11,914	(194,548)	57,955	589,787
Private sector capital sponsorship	34,600	-	-	-	34,600
	<u>26,050,602</u>	<u>11,914</u>	<u>(719,727)</u>	<u>57,955</u>	<u>25,400,744</u>
Total restricted funds	<u>23,881,125</u>	<u>3,490,174</u>	<u>(4,508,539)</u>	<u>343,955</u>	<u>23,206,715</u>
Unrestricted funds					
General funds	<u>393,595</u>	<u>300,752</u>	<u>(184,945)</u>	<u>(57,955)</u>	<u>451,447</u>
Total funds	<u>24,274,720</u>	<u>3,790,926</u>	<u>(4,693,484)</u>	<u>286,000</u>	<u>23,658,162</u>

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

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

General Annual Grant

The General Annual Grant must be used for the normal running costs of the School including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Other restricted funds

This fund consists of a recharge from the Quest Academy - Coloma Trust for the provision of 6th form lessons. Therefore, this income is restricted for the purpose of paying the staff for their teaching of Quest Academy's 6th form students.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible fixed assets. The academy also receives Devolved Formula Capital (DFC) which provides the academy with capital funding to address their own priorities and can be used for improvements to buildings and other facilities, including ICT, or capital repairs/refurbishments and minor works.

Pension reserve

The pension reserve is the element of the local government pension fund liability attributable to the academy.

Transfer between funds

Transfers from restricted funds to the restricted fixed asset fund were necessary to fund capital expenditure carried out during the year.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	774,758	2,578,830	(2,856,749)	(38,318)	458,521
Other DfE / ESFA grants	-	213,808	(213,808)	-	-
Other government grants	-	246,790	(246,790)	-	-
Other restricted funds	-	20,000	(20,000)	-	-
Pension reserve	(2,142,000)	-	(104,000)	(382,000)	(2,628,000)
	<u>(1,367,242)</u>	<u>3,059,428</u>	<u>(3,441,347)</u>	<u>(420,318)</u>	<u>(2,169,479)</u>
Restricted fixed asset funds					
Transfer on conversion	25,826,671	-	(525,135)	-	25,301,536
DfE group capital grants	890,161	11,155	(214,518)	27,668	714,466
Private sector capital sponsorship	34,600	-	-	-	34,600
	<u>26,751,432</u>	<u>11,155</u>	<u>(739,653)</u>	<u>27,668</u>	<u>26,050,602</u>
Total restricted funds	<u>25,384,190</u>	<u>3,070,583</u>	<u>(4,181,000)</u>	<u>(392,650)</u>	<u>23,881,123</u>
Unrestricted funds					
General funds	<u>382,473</u>	<u>248,644</u>	<u>(237,522)</u>	<u>-</u>	<u>393,595</u>
Total funds	<u>25,766,663</u>	<u>3,319,227</u>	<u>(4,418,522)</u>	<u>(392,650)</u>	<u>24,274,718</u>

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the London Borough of Croydon Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2020.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

The Teacher's Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teacher's Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £350,003 (2019: £203,516).

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#)

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

Local Government Pension Scheme

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

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2020	2019
	£	£
Employer's contributions	188,000	186,000
Employees' contributions	38,000	36,000
	<u> </u>	<u> </u>
Total contributions	226,000	222,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	2.3	2.8
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.3	2.3
	<u> </u>	<u> </u>

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

	2020	2019
	Years	Years
Retiring today		
- Males	21.9	21.3
- Females	23.9	23.4
Retiring in 20 years		
- Males	22.5	22.3
- Females	25.3	24.8
	<u> </u>	<u> </u>

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

	2020	2019
	£	£
Discount rate - 0.5%	385,000	424,000
Salary rate + 0.5%	4,000	45,000
Pension rate + 0.5%	377,000	371,000
	<u> </u>	<u> </u>

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

(Continued)

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

	2020	2019
	Fair value	Fair value
	£	£
Equities	895,360	958,520
Bonds	307,780	355,580
Property	181,870	216,440
Other assets	13,990	15,460
	<hr/>	<hr/>
Total market value of assets	1,399,000	1,546,000
	<hr/>	<hr/>

The actual return on scheme assets was £(270,000) (2019: £118,000).

Amount recognised in the Statement of Financial Activities

	2020	2019
	£	£
Current service cost	255,000	197,000
Past service cost	-	32,000
Interest income	(29,000)	(37,000)
Interest cost	77,000	98,000
	<hr/>	<hr/>
Total operating charge	303,000	290,000
	<hr/>	<hr/>

Changes in the present value of defined benefit obligations

	2020
	£
At 1 September 2019	4,174,000
Current service cost	255,000
Interest cost	77,000
Employee contributions	38,000
Actuarial (gain)/loss	(585,000)
Benefits paid	(103,000)
	<hr/>
At 31 August 2020	3,856,000
	<hr/>

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations (Continued)

Changes in the fair value of the Academy Trust's share of scheme assets

	2020 £
At 1 September 2019	1,546,000
Interest income	29,000
Actuarial loss/(gain)	(299,000)
Employer contributions	188,000
Employee contributions	38,000
Benefits paid	(103,000)
	<hr/>
At 31 August 2020	1,399,000
	<hr/> <hr/>

21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	24,989,754	24,989,754
Fixed asset investments	-	-	410,990	410,990
Current assets	471,418	622,452	-	1,093,870
Creditors falling due within one year	(171,268)	(208,184)	-	(379,452)
Accruals and deferred income	151,297	(151,297)	-	-
Defined benefit pension liability	-	(2,457,000)	-	(2,457,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	451,447	(2,194,029)	25,400,744	23,658,162
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	25,635,252	25,635,252
Fixed asset investments	-	-	415,350	415,350
Current assets	412,415	867,045	-	1,279,460
Creditors falling due within one year	(256,381)	(170,963)	-	(427,344)
Accruals and deferred income	237,561	(237,561)	-	-
Defined benefit pension liability	-	(2,628,000)	-	(2,628,000)
Total net assets	393,595	(2,169,479)	26,050,602	24,274,718

22 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period	(898,198)	(1,099,295)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(11,914)	(11,155)
Investment income	(331)	(804)
Defined benefit pension costs less contributions payable	67,000	43,000
Defined benefit pension net finance cost	48,000	61,000
Depreciation of tangible fixed assets	715,367	739,653
(Increase)/decrease in stocks	(11,324)	1,541
(Increase)/decrease in debtors	(632)	51,794
(Decrease)/increase in creditors	(47,889)	40,839
Net cash used in operating activities	(139,921)	(173,427)

23 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	1,093,009	(197,546)	895,463

THE BEC TRUST (TRADING AS THE ARCHBISHOP LANFRANC ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Related party transactions

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

The following related party transactions took place in the year:

Recharges from the Quest Academy - Coloma Trust totalled £17,380 (2019: £17,573) which comprised wholly of the shared use of a Data Manager. At the year end £nil was due to the Coloma Trust (2019: £nil).

On the cessation of Coloma Trust, an amount of £75,000 was received in respect of an unused start-up fund. In addition, an amount of £22,358 was received as residue monies to the trust.

25 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.