

Company Registration Number: 06653439 (England & Wales)

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

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NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

J R Brearley
D Handley - Bishop of Newcastle (resigned 14 July 2023)
P Pearson - Newcastle Diocesan Education Board
C Sourbut-Groves - Newcastle Diocesan Education Board
R Wilson - Newcastle Diocesan Education Board in consultation with
Northumberland Estates
H A Hartley (appointed 1 September 2023)

Trustees

J R Brearley, Chair¹
J Marshall, Vice Chair¹
R Bishopp
A Cox
E Gadsby (appointed 1 September 2022)
A J Hardie, CEO and Accounting Officer¹
A M Hodson
J Hope¹
R J Mays
F C Nash (appointed 1 September 2022)¹
S Ross (appointed 1 September 2022)
R Scheffer (appointed 1 September 2022)¹

¹ Members of the Finance, Operations and Risk Committee

Company registered number

06653439

Company name

Northumberland Church Of England Academy Trust

Principal and registered office

Josephine Butler Campus
Academy Road
Ashington
Northumberland
NE63 9FZ

Chief executive officer

A J Hardie

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Executive leadership team

A J Hardie (Accounting Officer), Chief Executive Officer
M Hinson, Director of Primary School Improvement
A J Alden, CFO and Director of Central Services
R Atkinson, Principal of Duke's Secondary School
J Booth, Headteacher of Warkworth C of E Primary School
S Cole, Co-Headteacher of Grace Darling C of E Primary School
P Ford-Hutchinson, Principal of Castle School
J Hodson, Headteacher of Thomas Bewick C of E Primary School
G Johnson, Headteacher of St Michael's C of E Primary School
C Marriott, Headteacher of Bishop's C of E Primary School
N McGarth, Co-Headteacher of Grace Darling C of E Primary School
C Mullen, Headteacher of James Knott C of E Primary School
A Thompson, Headteacher of William Leech C of E Primary School

Independent auditors

Clive Owen LLP
Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Bankers

HSBC
110 Grey Street
Newcastle Upon Tyne
NE1 6JG

Solicitors

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates nine academies for pupils aged 2 to 19 serving a catchment area in East Ashington, Newbiggin-by-the-Sea, Alnwick, Lynemouth and Warkworth, including a special school. It has a nursery to Year 14 pupil capacity of 2,944 and had a roll of 2,890 in the school census in May 2023. This figure does not include St Michael's CofE Primary School who joined on 1 July 2023 with a pupil count of 129.

All pupils are admitted through the criteria in each school's approved and published admissions policy, which is available on the relevant school web site.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association and Articles of Association are the primary governing documents of the Trust.

The Trustees of Northumberland Church of England Academy Trust are also the Directors of the charitable company for the purposes of company law.

The charitable company operates as Northumberland Church of England Academy 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.

Trustees' Indemnities

The Trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on Trust business. Further details are provided in note 14.

Method of Recruitment and Appointment or Election of Trustees

The Members appoint a minimum of eight Trustees. The Chief Executive Officer is a Trustee (ex-officio) and Accounting Officer. A staff representative and two parent representatives sit on each of the local governing bodies (LGB). The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected. Newcastle Diocesan Board of Education is an RLE with the right, directly or indirectly, to appoint or remove a majority of the Board of Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

Policies and Procedures Adopted for the Induction and Training of Trustee

The training and induction provided for new Trustees depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Trustees are given a tour of the academies and the chance to meet with staff and students. All Trustees are provided with copies of policies, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored to the individual.

Organisational Structure

The CEO is responsible for the day-to-day running of the Trust. There are nine school Headteachers or Principals (one school has Co-Headteachers), a Director of Primary School Improvement and a Director of Central Services/Chief Finance Officer (CFO). Headteachers and Principals respectively have responsibility for leading our schools.

The CEO and Director of Central Services/CFO are responsible for all central services operations. The CEO and Director of Primary School Improvement are responsible for the strategic leadership of school improvement. The CEO, Director of Central Services/CFO, Director of Primary School Improvement and the Headteachers and Principals form the Trust's Executive Leadership Team.

The next layer of management includes Deputy and Assistant Headteachers who have responsibility for key areas of standards and operation of Trust/school policies. Deputy and Assistant Headteachers meet with their relevant Headteacher or Principal at least weekly. For Central Services, the next layer of management comprises the Directors of each sub-area of operations e.g. HR.

The Trust has a Joint Consultative Committee to discuss with staff association representatives' issues affecting them. This meets every term but can meet more regularly on request from the Trust or from staff representatives.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

Arrangements for setting pay and remuneration of key management personnel

An annual cycle of staff appraisal and performance management is in operation. All staff are part of this system and objectives are aligned to the Trust's priorities for development. Appraisal carried out by line managers is moderated by Principals and the CEO. An annual anonymised statement of those staff awarded additional salary payments is presented to each local governing body each November.

A panel of Trustees, supported by an external advisor, undertake the appraisal and performance management of the CEO. The panel is tasked with setting the targets for the CEO, and by extension the Trust's targets, by 31 December each year. Progress towards those targets and leadership of the Trust are discussed at regular intervals throughout the year.

The performance management of the Chief Finance Officer is undertaken by a panel of Trustees from the Finance, Operations and Risk Committee, covering finance, HR, ICT, marketing and communications, estates and facilities and leadership.

A panel of Governors and the CEO, supported by the School Improvement Partner undertake the appraisal and performance management of the Headteachers and Principals. Progress towards those targets and leadership of the Trust are discussed at regular intervals throughout the year.

The Director of HR provides quality assurance for the Trust's performance management processes. The Director of HR monitors the annual pay progression of staff and attends all pay committee meetings. The Headteachers or Principals of each school will recommend approval to each Governors Pay Panel, who have delegated authority from the Trust Board.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where a Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations.

The Trust pays into a local authority scheme which provides this service.

Related Parties and other Connected Charities and Organisations

The Trust is not part of any wider network or federation.

The Newcastle Diocesan Education Board (NDEB) is now the sole sponsor of the Trust. The sponsor is represented by four appointed Members of the Trust and appoints a minimum of eight Trustees.

Under the terms and conditions of the Northumberland Church of England Academy Endowment Trust Agreement, the original sponsors initially agreed to donate £750k each, providing a principal sum of £1.5 million to the Trustees over a five-year period, this sum to be held within a charitable Trust. A resolution was passed dated 13 October 2021 to vary the Deed of Gift to amend the principal sum to £1,381,000, thus reducing the NDEB's contribution in recognition of its non-cash contribution in support of the Endowment Trust's objectives to the Trust over the previous ten years. The variation to the Deed also broadened the area of benefit to include the County of Northumberland.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

The income generated and the capital donated by the sponsors to the fund shall be applied by the Trustees to advance education for the benefit of the community served by Northumberland Church of England Academy Trust from time to time in accordance with the principles of the Church of England in particular by:

1. Assisting and supporting the education of students at the Trust including the provision of awards, prizes and other awards.
2. Relieving the financial hardship of pupils and ex-pupils of the Trust by the provision of bursaries, scholarships, equipment or in any other way the Trust thinks fit to enable them to pursue their education.
3. Providing grants or other financial assistance to assist pupils in financial need to undertake extra-curricular activities (including educational travel in the United Kingdom and overseas).
4. Providing or assisting in the provision of services or facilities at the Trust not provided for under the Funding Agreement between the Trust and the Secretary of State for Education.
5. Fostering closer ties between the Trust and community, including promoting education in the community.

The Trust is also a related party of Ward Hadaway Solicitors, by virtue of one Trustee also being a partner at that firm. Further details are stated in note 32 to the Financial Statements.

Engagement with employees (including disabled persons)

The Trust engages with all of its employees in a number of ways, including both one to one and group sessions and in face to face, online and written communications. The aim of these communications is to ensure all staff have access to relevant information as employees and, in many cases, to seek their views on changes which might affect them. The Trust has worked hard to reduce the longer term impact of the Covid-19 pandemic on its stakeholders and is prioritising improvement in both internal and external communications even further.

The Trust is committed to ensuring equality of opportunity for all who learn and work in its schools. We respect and value differences in race, gender, sexual orientation, ability, class and age. We strive to remove conditions which place people at a disadvantage and we actively address bigotry and discrimination. The Trust considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment within the Trust continues.

The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as is possible, identical to those for other employees. The Trust works with employee trade unions and professional associations across all of its schools and engages in consultation, as required, to ensure that all aspects of the company affecting its employees, including financial and economic factors, are discussed, conveyed and consulted on with them.

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

The Trust is committed to working with suppliers, customers and others with whom it has a business relationship in a fair and transparent way, with integrity and courtesy. We work closely with suppliers and aim to pay them in accordance with our contractual obligations. We pay many suppliers ahead of these obligations, as a publicly funded body. The Trust does not have customers in the traditional sense, although it does provide some of its facilities for hire. The Trust reviewed our approach to lettings and now run all of our lettings business in-house, including its expansion to become more of a community hub for local people to use and enjoy in a sustainable and cost effective way.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

Objectives and Activities

Objects and Aims

Northumberland Church of England Academy Trust
Our Vision: 'Enabling everyone in our communities to let their light shine.' [Matthew 5:16]

Our LIGHT Values

<p>Love</p> <p>We care for each other and we help others do well. We have a concern for justice and for the vulnerable, especially those in need.</p> <p><small>[Mark 12:31, John 2:16, John 13:24-35, Romans 12:10, 1 Corinthians 13, 1 John 4:11]</small></p>	<p>Inclusivity</p> <p>We are an open, welcoming and inclusive community that celebrates the worth of each person, and when necessary offers forgiveness and reconciliation too.</p> <p><small>[Matthew 6:12, Ephesians 4:2, Ephesians 4:32]</small></p>	<p>Goodness</p> <p>We work hard and always seek to do what is right. We encourage one another to treat others as we would like to be treated, to do good and to serve others.</p> <p><small>[Luke 6:31, Galatians 5:22, Hebrews 10:24-2 Peter 1:5]</small></p>	<p>Hope</p> <p>We aspire to be the best we can be. We learn from our mistakes and try again with determination.</p> <p><small>[Psalm 25:21, Psalm 31:24, Psalm 33:18, Romans 15:4, Colossians 1:5]</small></p>	<p>Truth</p> <p>We tell the truth and are true to our word. We take responsibility for what we think, say and do. We encourage integrity and respect for authority.</p> <p><small>[Proverbs 12:17, Mark 12:14, John 1:17, John 8:22, John 14:6]</small></p>
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Our mission:

<p>Creating a deeply Christian, inclusive, nurturing and aspirational culture. We will enable pupils and staff to enjoy "life in all its fullness". [John 10:10]</p>	<p>Educating for wisdom, knowledge and skills. We will deliver a knowledge-rich, broad and balanced curriculum with quality teaching and a focus on employability skills for lifelong success.</p>	<p>Working with hope and aspiration. We will improve life chances, removing barriers and creating opportunities for personal development that may otherwise be out of reach.</p>	<p>Developing an inclusive learning community. We will set clear expectations for good behaviour and respect towards others so all pupils can learn with dignity.</p>	<p>Investing in our people. Our staff are our most vital resource, so we aim to be recognised as an excellent employer, which values and develops its staff.</p>	<p>Serving our communities. Our thriving schools will be at the heart of their communities. We will create positive relationships with our 'neighbours', living well together and collaborating for the greater good.</p>	<p>Acting with integrity. We will be true to our vision and values, using commitment and endurance to focus on continuous improvement and long term sustainability.</p>
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Our 2022-2023 Trust Development Plan Objectives:

<p>We will ensure each NCEAT school delivers a good quality of education which is led by the Trust's vision and values, but also reflects the distinctiveness of each school through its vision and leadership.</p> <p><small>Applicable to all NCEAT schools.</small></p>	<p>We will ensure each school curriculum has a clear focus on the development of literary, reading, vocabulary, oracy and communication skills, as appropriate to the needs of their cohort.</p> <p><small>Applicable to all NCEAT schools.</small></p>	<p>We will continue to improve the quality of teaching and reduce the impact of disadvantage, so that our pupils achieve great outcomes and improve their life chances.</p> <p><small>Applicable to all NCEAT schools.</small></p>	<p>We will ensure that our pupils feel safe in our schools and are happy, healthy and ready to learn.</p> <p><small>Applicable to all NCEAT schools.</small></p>	<p>We will develop our people strategy, ensuring our staff feel valued and have opportunities to develop their careers within NCEAT.</p> <p><small>Applicable to all NCEAT schools and Central Services.</small></p>	<p>We will improve our communications, so all stakeholders have a voice which is listened to and contributes to our continuous improvement.</p> <p><small>Applicable to Executive Leadership Team.</small></p>	<p>We will ensure that NCEAT can grow in a measured and sustainable way, supported by highly effective governance and central services.</p> <p><small>Applicable to Central Services and Governance.</small></p>
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Creating a deeply Christian, inclusive, nurturing and aspirational culture

1. We will implement a consistent, trust wide system for school self-evaluation so that leaders, governors and trustees understand the school priorities for improvement.
2. We will ensure that all schools receive the appropriate support highlighted in their self-evaluation through the Trust's School Improvement offer.
3. A new Education Quality and Standards Committee will ensure stronger Trust level challenge and support for the CEO and LGBs.
4. We will ensure that all NCEAT schools can demonstrate and celebrate their distinctiveness within the Trust's family of schools through clear vision and strong leadership.
5. Additional support for Castle School in light of leadership change will be agreed and implemented to ensure that the quality of education can continue to be judged as Good.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and Activities (continued)

Educating for wisdom, knowledge and skills

1. We will adopt a common phonics scheme, Read Write Inc., across all NCEAT primary schools and support this through the CPD programme and sharing of expertise.
2. ELT and the School Improvement Team will agree a Trust-wide suite of effective strategies that can be employed by NCEAT schools to raise literacy standards.
3. Castle School will adopt Launchpad for Literacy as a systematic, skill-based approach to developing speech and communications.
4. Castle School will adopt Letters and Sounds as the most appropriate phonics scheme for its cohort.
5. Utilising the cross-phase curriculum plans, at KS2 to KS4 we will build a strong foundation of knowledge, vocabulary, understanding, phraseology and experience, that helps pupils acquire the subject specific vocabulary they need for success in external examinations and beyond.
6. Additional support for Y7 pupils in Duke's School who are below chronological expectations for reading will be reviewed and enhanced as required.
7. The CEO will conduct a thematic visit on careers education and employability skills in each school.

Working with hope and aspiration

1. We will continue to develop our strategic approach to transition from primary to secondary so that shared understanding of curriculum and systems leads to a smooth transition for pupils.
2. We will ensure that our pupils who are vulnerable or have additional needs, including SEND, get a broad, balanced and quality curriculum and learning experience, equivalent to their peers.
3. We will review and develop the Trust's school improvement model so that it maximises the impact on quality of teaching.
4. We will review and develop assessments at each phase/key stage, to ensure they build on prior learning, measure progress in understanding and knowledge acquisition effectively, and provide evidence for impact of the curriculum.
5. We will develop Trust Poverty Proofing Standards for schools to ensure that they are removing all possible barriers for pupils which could prevent them from learning effectively.
6. Each school will ensure that there are systematic opportunities for pupils to voice their opinions and be heard, for example opportunities for pupils to lead in determining approaches to sustainability.

Developing an inclusive learning community

1. We will review our Trust wide safeguarding processes and policies to ensure that all our staff are well trained and supported to look after the children in our care.
2. We will introduce a low level concerns policy following the recommendation in KCSIE 2022.
3. We will ensure that strong quality assurance and internal audit checks are in place so that every school can be quietly confident safeguarding practice remains compliant and well managed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and Activities (continued)

4. We will ensure that all of our schools have the highest, consistent and fair standards of pupil behaviour, so there is an orderly environment where pupils feel safe to learn, free from any disruption.
5. We will ensure that the wellbeing of children is at the heart of what we do so that every child feels safe, happy and valued and reflects this in their respect for others.
6. We will ensure that all pupils, including those with SEND or who are disadvantaged, are supported to have high attendance, come to school on time and be punctual to lessons. When this is not the case, school leaders will take appropriate, swift and effective action.

Investing in our people

1. We will review and improve internal communications across NCEAT, listening to staff to identify how we can communicate more effectively.
2. We will improve staff wellbeing through a strategic trust wide approach supported by specific actions as identified for each school.
3. We will monitor workload and review systems to remove unnecessary burdens, developing a Trust calendar to map and manage workload more effectively.
4. We will ensure performance management is embedded across the Trust and appraisers are well trained, so that our staff are well supported, developed professionally and flourish in their role.
5. We will ensure that the Reflective Teacher App is used consistently and effectively to support professional development of teachers and teaching assistants.
6. We will develop a clear and consistent system for the induction of new staff who join NCEAT.
7. We will add capacity to our HR team to meet growing demand and help to manage change.
8. We will further develop our CPD programme to provide high quality professional support and developmental opportunities across career pathways, with an in-house leadership CPD programme to reinforce the 8 Trust leadership principles.
9. We will ensure that wherever possible there are clear career progression opportunities in place and these are valued by both teaching and support staff.

Serving our communities

1. We will audit our home-school communications, identify areas for improvements and develop a strategic plan to deliver the improvements, including offering training to parents and carers in use of school apps.
2. Each school will host regular parental forums and gather parental questionnaire data to guide agendas and priorities.
3. Local Governing Bodies will actively engage with their local community so that each school is increasingly recognised as being truly at the heart of their communities.
4. We will raise the profile of NCEAT and its schools, celebrating our achievements through improving our website communications and our presence on social media.
5. We will review communications between the various levels of governance and leadership to ensure that it is effective.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and Activities (continued)

6. We will review the language used in home-school communications to ensure that it is accessible.

Acting with integrity

1. We will implement all recommendations from the 2022 External Review of Governance to ensure we operate a supportive governance model with a clear focus on strategic development.
2. We will identify potential partner schools who may join NCEAT, supported by marketing materials and a strategy to engage new prospective partner schools.
3. We will be clear on the 'Ws' of who, when, where and why, as well as ensuring that we have the capacity for sensible growth, particularly in School Improvement.
4. We will monitor the effectiveness of the updated Scheme of Delegation to ensure that LGB's understand how their role interfaces with school leadership and the Trust Board, so that they conduct scrutiny and challenge at a local level to support the work of the Trust.
5. We will develop a Trust Sustainability Strategy to reduce the Trust's carbon footprint and reduce energy costs.
6. We will continue to develop the Central Services Team and its offer so that schools enjoy excellent support and school leaders can focus on teaching and learning.

Public Benefit

The Trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the Trust should undertake.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report

Achievements and performance

The external examination results for both GCSE and A level were the best ever achieved by the Trust. Primary results showed an encouraging recovery from the impacts of Covid in both progress and attainment. Attendance across Trust Schools was in line with or above the national average for similar schools.

School	OFSTED Overall grade	Last inspected
NCEA Bishop's	Good overall and Good every category	October 2022
NCEA Castle	Good overall and Good every category	November 2022
NCEA Duke's Secondary	Requires Improvement but Good in 4 out of 5 categories	June 2023
NCEA Grace Darling	Awaiting first OFSTED inspection	N/A
NCEA James Knott	Awaiting first OFSTED inspection	N/A
NCEA Thomas Bewick	Awaiting first OFSTED inspection	N/A
NCEA St Michael's	Good overall and Good every category	November 2022
NCEA Warkworth	Good overall and Good every category	May 2023
NCEA William Leech	Awaiting first OFSTED inspection	N/A

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

The Trust has a number of financial KPIs as shown below.

	2022-23	2021-22
Average number of pupils*	2,853	2,813
Publicly funded income per pupil	£7,086	£6,777
Staff costs per pupil	£5,754	£5,509
Staff costs as a % of total costs	79.94%	79.75%
Staff costs as a % of income	81.20%	81.29%
Net cash inflow	(£11k)	£518k

*Excluding joining schools.

Although there has been more stability this year, there have been positive and negative effects on the trust's financial performance and position. Most of our indicators mask a great many individual factors where reality has not conformed to expectations or the budget and the Trust is satisfied that it has done all it can to manage its KPIs effectively in this period.

Going concern

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

Achievements and performance (continued)

Promoting the success of the company

The Board of Trustees, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Trust for the benefit of its members, its pupils, its staff and the wider community and in doing so have regard to a range of matters when making decisions. Key decisions and matters that are of strategic importance to the Trust are appropriately informed by s172 factors.

The Board of Trustees makes decisions with a long-term view in mind and with the highest standards of conduct. Where possible, decisions are discussed with the affected groups and therefore fully understood and supported when taken. Reports are regularly made to the Board from the Chief Executive about the Trust and the strategy and key performance decisions which are made. Regular reporting enables the Trust Board to stay in touch and make the decisions with the best interests of the Trust in mind. In addition, the Board of Trustees contains members from many interested areas including the sponsor, professional educators and the local business community so that their views are constantly considered when long term decisions are made.

The Board are aware of the impact their decisions may have on the wider community and hold our reputation to the highest standards, ensuring that the Trust is compliant with laws and regulations whilst delivering the best service education to our pupils and students. We engage with the DfE, the ESFA and the Regional Schools Director throughout the year and keep up to date with Government regulations ensuring that any changes are acted on swiftly. In addition, we have regular internal audits to ensure that the controls operating with the Trust are operating effectively. The Finance, Operations and Risk Committee is updated on legal and regulatory requirements and any control deficiencies on a regular basis and takes these into accounts when considering future actions.

Financial review

Most of the Trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities' SORP (FRS 102), such grants are shown under the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2023 total expenditure of £21,841,000 (2022: £21,965,000) was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, excluding the endowment funds and excluding fixed asset funds) was £351,000 (2022: £1,635,000).

The in-year surplus, excluding the pension reserve, endowment funds and restricted fixed asset funds, was £82,000.

The financial outcome for the year continued to be affected by the Covid-19 pandemic, albeit to a lesser extent than the previous year and in different ways. There were significant additional costs associated with supporting both pupils and staff with the return to normal school life and also in the provision of home learning and home working. Some, but not all, of these costs have been recovered from the DfE and this has adversely affected the Trust's financial results.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Trust's objectives.

At 31 August 2023 net book value of tangible fixed assets was £44,202,000 and movements in tangible fixed

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

assets are shown in note 15 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £nil (2022: £510,000) recognised on the Balance Sheet.

The Trust held fund balances as at 31 August 2023 of £45,795,000 (2022: £45,432,000) comprising £177,000 (2022: £83,000) of restricted general funds, £94,000 (2022: £106,000) of unrestricted funds, £44,209,000 (2022: £44,444,000) of restricted fixed asset funds, a pension deficit of £Nil (2022: £510,000) and £1,315,000 (2022: £1,309,000) of endowment funds. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as of 31 August 2023 was a surplus of £271,000.

Reserves Policy

The Trust holds endowment, restricted and unrestricted funds. The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for reserves is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves (total funds less the amount held in restricted fixed assets, endowment reserves and restricted general funds) is £Nil. The balance on restricted general funds excluding the pension reserve plus the balance on unrestricted funds at 31 August 2023 is a net surplus of £271,000. The Trust will require this surplus to support the financial resilience of the Trust in the current financial year.

Investment Policy

The Trustees' policy regarding investments is to monitor regularly cash flow and cash balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments; to avoid its current account being overdrawn; to identify funds surplus to immediate cash requirements and transfer to an account bearing a higher interest rate; to review periodically (at least annually) interest rates and compare with other investment opportunities; and to invest funds only in risk free and immediately accessible deposit accounts.

Principal Risks and Uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from DfE/ESFA. In addition, the Trust is a member of the Local Government Pension Scheme (LGPS), which can result in the recognition of a significant deficit on the Trust Balance Sheet.

The Trustees have assessed the major risks, to which the Trust is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trust has fully implemented the requirements of the Safer Recruitment procedures and all relevant staff have received training in this area in addition to training on Child Protection.

The Trust is subject to a number of risks and uncertainties in common with other academies. The Trust has in place procedures to identify and mitigate financial risks.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

General charitable fundraising of the kind envisaged under the provisions of the Charities (Protection and Social Investment) Act 2016 represents a very small part of the Trust's activities and income, and is generally restricted to fundraising for specific events such as school fairs and performances. Other fundraising is for specific expenditure to support educational activities. Professional fundraisers are not used and there is therefore no monitoring required in this area.

Complaints regarding fundraising would be dealt with in accordance with the Trust's Complaints Policy, available on the website.

Streamlined Energy and Carbon Reporting

UK energy use and associated greenhouse gas emissions

Annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets owned or operated within the UK only as defined by the operational control boundary. This includes eight schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (grey fleet). A ninth school, St Michael's Church of England Primary School, joined the Trust on 1st July 2023 but will be included from next year's report due to current limitations in data availability.

Reporting period

The annual reporting period is 1 September 2022 to 31 August 2023 and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2023 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity, gas and biomass consumption were compiled from invoice records. Where invoices did not cover the whole reporting period, estimation techniques such as the pro-rata extrapolation and the direct comparison method were applied. Information from Display Energy Certificate were used to estimate the annual gas consumption at Josephine Butler Campus. Fuel purchase records were used to calculate minibus diesel consumption. Mileage claims were used to calculate energy use and emissions associated with grey fleet. On site renewable solar photovoltaic electricity is included within scope 1 and excludes exported energy. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

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

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined Energy and Carbon Reporting (continued)

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2021/22	2022/23
Mandatory requirements:		
Gas	3,631,952	2,946,013
Purchased electricity from the grid	1,454,072	1,264,895
Transport fuel	18,459	22,580
Total energy (mandatory)	5,104,482	4,233,489
Voluntary requirements:		
Biomass	860,929	1,720,594
Consumed electricity from on-site renewable sources	27,557	36,437
Total energy (voluntary)	888,486	1,757,031
Total energy (mandatory & voluntary)	5,992,968	5,990,520

Breakdown of emission associated with the reported energy use (tCO₂e):

Energy type	2021/22	2022/23
Mandatory requirements:		
<u>Scope 1</u>		
Natural gas	663.0	538.9
Company owned vehicles (minibuses)	2.5	2.7
<u>Scope 2</u>		
Purchased electricity (location-based)	281.2	261.9
<u>Scope 3</u>		
Category 6: Business travel (grey fleet)	2.0	2.7
Total gross emissions (mandatory)	948.7	806.3
Voluntary requirements:		
Consumed electricity from on-site renewable sources	0.0	0.0
Biomass (N ² O & CH ₄ only emissions)	9.1	17.1
Total gross emissions (voluntary)	9.1	17.1
Total gross emissions (mandatory & voluntary)	957.7	823.4
<u>Outside of scope</u>		
Biomass (CO ₂ only emissions)	300.8	562.3

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Streamlined Energy and Carbon Reporting (continued)

Intensity ratio

Two intensity ratios are reported showing emissions (tCO₂e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn 2022 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions.

Intensity ratio type	2021/22	2022/23
<u>Intensity ratios (mandatory emissions only)</u>		
Tonnes of CO ₂ per pupil	0.340	0.217
Tonnes of CO ₂ per square meter floor area	0.032	0.027
<u>Intensity ratios (mandatory & voluntary emissions)</u>		
Tonnes of CO ₂ per pupil	0.343	0.293
Tonnes of CO ₂ per square meter floor area	0.032	0.028

Energy efficiency action during current financial year

Total gross emissions have decreased this year by 134.3 tCO₂e (-14%), which is predominantly a result of reduced natural gas consumption and emissions by 124.1 tCO₂e (-18.7%). Although the Trust have no new energy efficiency actions to report this year, the Trust remains committed to reducing emissions and looking for new opportunities.

Plans for Future Periods

The Trust welcomed St Michael's Church of England Primary School on 1 July 2023. In addition to this growth we have been supporting several of our schools through OFSTED visits, which have followed on from the demerger of Bishop's primary school into its constituent schools in 2021-22. Continued growth will be considered only where it is seen as controlled and sustainable.

For the next year, our objectives continue to focus on further improving the quality of education and cultural capital for our pupils and student, as well as enhancing their digital learning. We are also working on strengthening our attractiveness as an employer to ensure that the trust and its schools are seen as great places to work. We will continue to invest in our staff and our facilities to ensure that achieving positive outcomes for our pupils and students remains at the heart of all that we do.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as a custodian Trustee on behalf of others, aside from 16-19 bursary funds.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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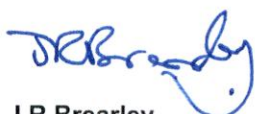
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Auditors

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and that 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 auditors are aware of that information.
- that 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 auditors are 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 13 December 2023 and signed on its behalf by:



J R Brearley
Chair of Trustees

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Northumberland Church of England 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Northumberland Church of England 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 8 times during the year. The Board has clearly established committees/portfolio groups of Trustees who can deal with specific areas of responsibility following robust terms of reference.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Richard Bishopp	8	8
John Brearley, Chair of Trustees	8	8
Alex Cox	4	8
Ellie Gadsby (Appointed 12.9.2022)	4	8
Alan Hardie, CEO and Trustee	8	8
Tony Hodson	7	8
Jeff Hope	7	8
John Marshall, Vice Chair of Trustees	6	8
Rachel Mays	7	8
Fiona Nash (Appointed 1.9.2022)	8	8
Simon Ross (Appointed 1.9.2022)	7	8
Revd Rachel Scheffer (Appointed 1.9.2022)	8	8

September 2022, an additional 30 new governors joined NCEAT local governing bodies following a successful recruitment campaign. The diversity of Trustees (gender and age-related) increased due to the introduction of four new Trustees. The number of Trustees rose to 12.

Governance at local level has grown rapidly in pace with the Trust and this has meant a steep learning curve for many of the governors who are from a wide range of backgrounds, including education and business. Work continued on the standardisation of agendas and reporting mechanisms to improve communication and ensure statutory compliance. Communication flow between Trustees and Local Governors is key and a working party, including members from all levels of governance, met in the summer term to refresh and revise the scheme of delegation (SoD). The revised SoD was approved by Trustees in September 2023 and will add clarity to accountability at all levels.

Three of the Trust schools received graded inspections by Ofsted during the period 2022-23. Bishop's CofE Primary and Castle School were judged Good, Duke's Secondary School was judged Requires Improvement. Warkworth CofE Primary School received an ungraded inspection in May 2023 and retained their Good judgement.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Trust expanded its family of schools in July 2023 with the joining of St Michael's CofE Primary School, based in Alnwick. St Michael's had been supported by the Trust's Central Primary Improvement team over an eighteen month period and received a Good judgement in November 2022.

The annual strategy day held on 8 October 2022 and attended by Trustees and Governors, was a great success. The theme for 2022-23 was refreshing the vision. The theme for 2023-24 is letting our lights shine.

Conflicts of Interest

Trustees and Governors are reminded at each meeting of the requirement to declare any interest(s) they have or have recently arisen, that may influence their decision-making. An annual register is retained on GovernorHub, the Trust's storage and communication platform.

Governance Review

Following the recommendation from an external review of governance in February 2022, a further Trust committee was introduced to ensure robustness in standards across all schools in the Trust and to support accountability and challenge to the CEO. The first meeting of the Education Quality and Standards Committee (EQS) took place in September 2022 and attendance was as follows

Trustee	Meetings attended	Out of a possible
Richard Bishopp	3	3
Alan Hardie, CEO	3	3
Rachel Mays, Chair of EQS	3	3
Simon Ross	2	3

The Finance, Operations and Risk Committee (FORC) is a sub-committee of the main Board of Trustees and met seven times. It is responsible for the execution oversight, governance and validation of the Trust's responsibilities to the Secretary of State as outlined in the extant version of the Academy Trust Handbook. FORC undertakes the responsibilities of audit, risk and internal scrutiny ensuring the Trust's fiscal systems are robust and transparent.

Attendance during the year at meetings was as follows (*The CEO and CFO are in attendance):

Trustee	Meetings attended	Out of a possible
Alison Alden, Chief Finance Officer*	7	7
John Brearley	7	7
Alan Hardie, CEO / Accounting Officer*	7	7
Jeff Hope, Chair of FORC	6	7
John Marshall	5	7
Fiona Nash	6	7
Revd Rachel Scheffer	7	7

Due to the rapid growth of the Trust, communication between the Board and its committees is a key objective. A chairs' forum, led by the Chair of Trustees, is held before each Trust Board meeting, to enable committee/ LGB chairs to discuss concerns, share good practice and celebrate achievements in an informal setting.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money

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

The 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 appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- ensuring some energy prices were fixed until 2025 prior to the recent significant increases in prices
- ensuring frameworks are used to their fullest extent where possible
- imaginatively reviewing all school staffing structures to get maximum value from existing staff numbers
- engaging with employees to improve wellbeing, thereby reducing absence figures and reliance on agency staff

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northumberland Church of England Academy Trust for the year 1 September 2022 to 31 August 2023 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 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 Trust's significant risks that has been in place for the year ended 31 August 2023 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has decided to buy-in an internal scrutiny service from Azets.

This option has been chosen to provide professional independence and objectivity covering both internal control activities within functions such as HR and finance, and also educational regulations and guidelines.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

The reviewer's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of compliance with governance standards
- testing of compliance with other aspects of the Academy Trust Handbook
- review of some elements of educational regulations e.g. attendance requirements

On a termly basis, the internal auditor reports to the Board of Trustees through the Finance, Operations and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis the auditor prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

During the year, the schedule of work was delivered as planned with no serious weaknesses identified.

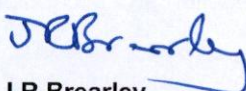
Review of Effectiveness

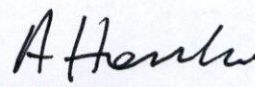
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditors.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Operations and Risk committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13 December 2023 and signed on their behalf by:


J R Brearley
Chair of Trustees


A J Hardie
Accounting Officer

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Northumberland Church of England Academy Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding, including for estates and management, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2022.

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



A J Hardie
Accounting Officer
Date: 13 December 2023



NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial period. Under company law, the Trustees must not approve the financial statements 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 financial statements, the Trustees are required to:

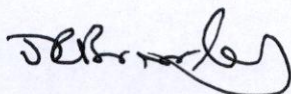
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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 financial statements 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 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 financial statements may differ from legislation in other jurisdictions.

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



J R Brearley
Chair of Trustees
Date: 13 December 2023

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST**

Opinion

We have audited the financial statements of Northumberland Church of England Academy Trust (the 'Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2023 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion 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 Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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 financial statements are not in agreement with the accounting records and returns; or certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST (CONTINUED)

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 Auditors' 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.



Christopher Beaumont BA (Hons) BFP FCA DChA (Senior Statutory Auditor)
for and on behalf of
Clive Owen LLP

Chartered Accountants and Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 18 December 2023

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST AND THE EDUCATION AND SKILLS
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 16 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northumberland Church of England Academy Trust during the year 1 September 2022 to 31 August 2023 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 Northumberland Church of England Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Northumberland Church of England Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Northumberland Church of England Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Northumberland Church of England Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Northumberland Church of England Academy Trust's funding agreement with the Secretary of State for Education dated 01 September 2020 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST AND THE EDUCATION & SKILLS
FUNDING AGENCY (CONTINUED)**

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST AND THE EDUCATION & SKILLS
FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clive Owen LLP
Reporting Accountant

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 18 December 2023

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income and endowments from:							
Donations and capital grants	4	60	(47)	557	-	570	774
Other trading activities	6	352	-	95	-	447	539
Investments	7	4	-	-	34	38	21
Charitable activities		325	19,895	-	-	20,220	19,064
Total income and endowments		741	19,848	652	34	21,275	20,398
Expenditure on:							
Raising funds		-	-	-	7	7	84
Charitable activities	9	753	20,187	894	-	21,834	21,881
Total expenditure		753	20,187	894	7	21,841	21,965
Net (expenditure)/income before net losses on investments							
		(12)	(339)	(242)	27	(566)	(1,567)
Net losses on investments		-	-	-	(21)	(21)	(146)
Net (expenditure)/income		(12)	(339)	(242)	6	(587)	(1,713)
Transfers between funds	21	-	(8)	8	-	-	-
Net movement in funds before other recognised gains/(losses)		(12)	(347)	(234)	6	(587)	(1,713)
Other recognised gains/(losses):							
Actuarial gains on defined benefit pension schemes	28	-	4,880	-	-	4,880	16,720
Asset ceiling restriction	28	-	(3,930)	-	-	(3,930)	-
Net movement in funds		(12)	603	(234)	6	363	15,007

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Note						
Reconciliation of funds:						
Total funds brought forward	106	(427)	44,444	1,309	45,432	30,425
Net movement in funds	(12)	603	(234)	6	363	15,007
Total funds carried forward	<u>94</u>	<u>176</u>	<u>44,210</u>	<u>1,315</u>	<u>45,795</u>	<u>45,432</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 37 to 71 form part of these financial statements.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 06653439

BALANCE SHEET
AS AT 31 AUGUST 2023

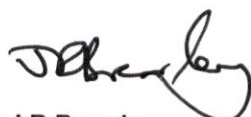
	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	15	44,202	44,599
Investments	16	1,279	1,320
		45,481	45,919
Current assets			
Stocks	17	12	10
Debtors	18	728	614
Cash and cash equivalents		1,191	1,202
		1,931	1,826
Creditors: amounts falling due within one year	19	(1,582)	(1,761)
		349	65
Net current assets		349	65
Total assets less current liabilities		45,830	45,984
Creditors: amounts falling due after more than one year	20	(35)	(42)
Net assets excluding pension asset / liability		45,795	45,942
Defined benefit pension scheme asset / liability	28	-	(510)
Total net assets		45,795	45,432

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 06653439

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note	2023 £000	2022 £000
Funds of the Trust			
Endowment funds	21	1,315	1,309
Restricted funds:			
Fixed asset funds	21	44,209	44,444
Restricted income funds	21	177	83
Restricted funds excluding pension asset	21	<u>44,386</u>	<u>44,527</u>
Pension reserve	21	-	(510)
Total restricted funds	21	<u>44,386</u>	<u>44,017</u>
Unrestricted income funds	21	94	106
Total funds		<u><u>45,795</u></u>	<u><u>45,432</u></u>

The financial statements on pages 32 to 71 were approved by the Trustees, and authorised for issue on 13 December 2023 and are signed on their behalf, by:



J R Brearley
 (Chair of Trustees)

The notes on pages 37 to 71 form part of these financial statements.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	891	2,177
Cash flows from investing activities	25	(895)	(1,652)
Cash flows from financing activities	24	(7)	(7)
Change in cash and cash equivalents in the year		(11)	518
Cash and cash equivalents at the beginning of the year		1,202	684
Cash and cash equivalents at the end of the year	26, 27	1,191	1,202

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NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Consolidated accounts

The Trust has not prepared consolidated financial statements as the results of the subsidiary, NCEA Trading Ltd, are not considered material to the financial statements.

1.3 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events of conditions 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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.4 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

• **Donated fixed assets (excluding transfers on conversion or into the Trust)**

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

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.5 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 allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets

Assets costing £2,500 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 requiring 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Long-term leasehold property	- over the life of the lease straight line and 10% straight line
Furniture and equipment	- 20% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 10% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.7 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Provisions

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

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

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. 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 as detailed in notes 19 and 20. 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.

1.12 Stocks

Unsold uniforms and catering stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.13 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.14 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus 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

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.14 Pensions (continued)

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.

1.15 Fund accounting

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

Endowment funds represents the resources from a permanent endowment fund which have been aggregated into these financial statements..

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.16 Aggregated results

These financial statements aggregate the results of the Northumberland Church of England Academy Endowment Trust, a Trust in which the Trust is the sole Trustee and sole beneficiary.

1.17 Conversion to an academy trust

The conversion from a state maintained school to a Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from [name of predecessor school] to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 30.

1.18 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 33.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Critical accounting estimates and areas of judgment (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The original Local Government Pension scheme valuation showed an asset of £3,930k. That asset valuation is highly dependent on a number of assumptions and does not represent the future value of benefits to the trust. As a result, the Trustees have considered the potential benefits to the trust. On the basis that the future value of employer contributions in respect of future service cost (£900k) exceed the employer future service costs (£870k) combined with the fact that the last Local Government Scheme actuarial review set the contribution rates from 1 April 2023 and that these will not be revised until April 2026 the Directors/Trustees/Governors (delete as appropriate) have decided to include the pension asset at £NIL.

Goodwin

The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £27,660 which has been assessed to be immaterial to the financial statements.

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £755,000.

Critical areas of judgment:

Land – Land is held under a 125 year lease from Northumberland County Council. These assets are included on the balance sheet of the Trust due to the significant risks and rewards of ownership belonging to the Trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the Trust could use them without major modification.

3. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, there are academies within the Trust which were subject to limits at 31 August 2023 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the Trust exceeded the limits during the year ended 31 August 2023.

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4. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations					
Income from Local Authority on Conversion	47	(7)	-	40	-
Pension Deficit on Conversion	-	(40)	-	(40)	-
Donations	13	-	-	13	8
Capital Grants					
School Condition Allocation	-	-	309	309	302
Devolved Formula Capital	-	-	73	73	72
Other Capital Grants	-	-	175	175	-
CIF	-	-	-	-	392
	<u>60</u>	<u>(47)</u>	<u>557</u>	<u>570</u>	<u>774</u>
	<u>60</u>	<u>(47)</u>	<u>557</u>	<u>570</u>	<u>774</u>
Total 2022	<u>8</u>	<u>-</u>	<u>766</u>	<u>774</u>	

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5. Funding for the Trust's educational operations

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	14,274	14,274	13,704
Other DfE/ESFA grants				
Pupil Premium	-	1,488	1,488	1,362
PE and Sport Premium	-	124	124	124
UIFSM	-	170	170	156
Rates	-	70	70	70
Teachers' pay grant	-	9	9	25
Teachers' pension grant	-	145	145	140
Other DfE/ESFA grants	-	32	32	224
Supplementary Grant	-	397	397	166
Mainstream Schools Additional Grant	-	204	204	-
	-	16,913	16,913	15,971
Other Government grants				
SEN	-	1,632	1,632	1,440
Early Years Funding	-	851	851	988
Local Authority grants	-	54	54	97
	-	2,537	2,537	2,525
Other income from the Trust's educational operations	325	29	354	319
COVID-19 additional funding (DfE/ESFA)				
Recovery Premium	-	245	245	120
National Tutoring Program	-	173	173	208
Other DfE/ESFA COVID-19 funding	-	(2)	(2)	(79)
	-	416	416	249
	325	19,895	20,220	19,064
	325	19,895	20,220	19,064
Total 2022	298	18,766	19,064	

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6. Income from other trading activities

	Unrestricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from facilities and services	146	-	146	116
Rental and lettings income	86	-	86	67
RPA claims	-	95	95	193
Other	120	-	120	163
	<u>352</u>	<u>95</u>	<u>447</u>	<u>539</u>
Total 2022	<u>346</u>	<u>193</u>	<u>539</u>	

7. Investment income

	Unrestricted funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Interest from short term deposits	4	-	4	-
Endowment dividends and interest	-	34	34	21
	<u>4</u>	<u>34</u>	<u>38</u>	<u>21</u>
Total 2022	<u>-</u>	<u>21</u>	<u>21</u>	

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8. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
Expenditure on investment management	-	-	7	7	84
Academy's educational operations:					
Direct costs	14,673	-	994	15,667	15,864
Allocated support costs	2,538	2,345	1,284	6,167	6,017
	<u>17,211</u>	<u>2,345</u>	<u>2,285</u>	<u>21,841</u>	<u>21,965</u>
Total 2022	<u>17,407</u>	<u>2,333</u>	<u>2,225</u>	<u>21,965</u>	

In 2023, of the total expenditure, £753,000 (2022: £664,000) was to unrestricted funds, £895,000 (2022: £810,000) was to restricted fixed asset funds, £Nil (2022: £84,000) was to endowment funds and £20,186,000 (2022: £20,407,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Cash losses
- Unrecoverable debts

There were total unrecoverable debts experienced by the Trust of £nil (2022: £1,068).

There were £11,000 ex-gratia payments in the year.

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations	<u>15,667</u>	<u>6,167</u>	<u>21,834</u>	<u>21,881</u>
Total 2022	<u>15,864</u>	<u>6,017</u>	<u>21,881</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £000	Total funds 2022 £000
Staff costs	14,673	15,104
Educational supplies	657	571
Examination fees	109	77
Staff development	54	47
Educational consultancy	133	19
Staff expenses	7	6
Transport	34	40
	<u>15,667</u>	<u>15,864</u>

Analysis of support costs

	Total funds 2023 £000	Total funds 2022 £000
Net interest cost on pension scheme	-	250
Staff costs	2,538	2,303
Depreciation	755	711
Technology costs	318	290
Maintenance of premises	407	573
Cleaning	561	478
Other premises costs	100	79
Energy	480	416
Rent & rates	85	82
Insurance	63	59
Operating lease rentals	90	96
Catering	471	401
Legal costs - conversion	15	-
Legal costs - other	58	19
Other costs	202	239
Governance costs	24	21
	<u>6,167</u>	<u>6,017</u>

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10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2023 £000	2022 £000
Operating lease rentals	90	96
Depreciation of tangible fixed assets	755	711
(Gain)/Loss on disposal of investment assets	-	146
Fees paid to auditors for:		
- audit	20	18
- other services	2	2
	2	2

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	12,542	11,829
Social security costs	1,237	1,177
Pension costs	3,040	4,202
	16,819	17,208
Agency staff costs	392	199
	17,211	17,407

Staff restructuring costs comprise:

	2023 £000	2022 £000
Severance payments	11	3
	11	3

Included within the operating costs of the defined benefit scheme is £400,000 (2022: £1,710,000) in respect of movements in the LGPS pension deficit.

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11. Staff (continued)

b. Severance payments

The Trust paid 1 severance payments in the year, disclosed in the following bands:

	2023 No.
£0 - £25,000	1
	1

c. Special staff severance payments

There are no special severance payments.

Non-statutory/non-contractual staff severance payments

Included in compensation payments are non-statutory/non-contractual severance payments totalling £11,000.

d. Staff numbers

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

	2023 No.	2022 No.
Teachers	173	171
Administration and support	295	297
Management	12	12
	480	480

e. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	7	5
In the band £70,001 - £80,000	2	4
In the band £80,001 - £90,000	2	1
In the band £110,001 - £120,000	1	-
In the band £130,001 - £140,000	-	1
	-	1

f. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Executive Leadership Team as listed on page 2.

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FOR THE YEAR ENDED 31 AUGUST 2023

11. Staff (continued)

f. Key management personnel (continued)

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,090,000 (2022: £1,147,000)

12. Central services

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

- Educational support staff
- Finance and administrative staff
- External Audit service provision
- Internal Audit service provision
- ICT support costs and licences
- HR services
- Minibus costs
- Data management services
- Learner welfare services
- Other non-educational professional services

The Trust charges for these services on the following basis:

These services are paid for by each academy in the Trust and is based on the percentage of GAG which each academy contributes toward the Trust.

The actual amounts charged during the year were as follows:

	2023 £000	2022 £000
Duke's Secondary School	322	461
Bishop's Primary School	95	175
Castle School	66	135
Warkworth Church of England Primary School	36	51
James Knott CofE Primary School	52	75
William Leech CofE Primary School	34	48
Grace Darling CofE Primary School	89	137
Thomas Bewick C of E Primary School	54	80
Total	748	1,162

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13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2023 £000	2022 £000
Alan Hardie, Chief Executive Officer	Remuneration	110 - 115	130 - 135
	Pension contributions paid	25 - 30	30 - 35

During the year ended 31 August 2023, expenses totalling £NIL were reimbursed or paid directly to Trustees 2022: £NIL).

14. Trustees' and Officers' insurance

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

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15. Tangible fixed assets

	Leasehold land and buildings £000	Computer equipment £000	Furniture and equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 September 2022	49,331	2,795	845	40	-	53,011
Additions	106	149	82	-	21	358
Disposals	-	(641)	-	-	-	(641)
At 31 August 2023	<u>49,437</u>	<u>2,303</u>	<u>927</u>	<u>40</u>	<u>21</u>	<u>52,728</u>
Depreciation						
At 1 September 2022	5,163	2,643	587	19	-	8,412
Charge for the year	559	94	101	1	-	755
On disposals	-	(641)	-	-	-	(641)
At 31 August 2023	<u>5,722</u>	<u>2,096</u>	<u>688</u>	<u>20</u>	<u>-</u>	<u>8,526</u>
Net book value						
At 31 August 2023	<u><u>43,715</u></u>	<u><u>207</u></u>	<u><u>239</u></u>	<u><u>20</u></u>	<u><u>21</u></u>	<u><u>44,202</u></u>
At 31 August 2022	<u><u>44,168</u></u>	<u><u>152</u></u>	<u><u>258</u></u>	<u><u>21</u></u>	<u><u>-</u></u>	<u><u>44,599</u></u>

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16. Fixed asset investments

	Listed investments £000	Unlisted investments £000	Total £000
Cost or valuation			
At 1 September 2022	1,281	39	1,320
At 1 September 2022	1,281	39	1,320
Additions	375	(32)	343
Disposals	(384)	-	(384)
At 31 August 2023	1,272	7	1,279
Net book value			
At 31 August 2023	1,272	7	1,279
At 31 August 2022	1,281	39	1,320

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17. Stocks

	2023 £000	2022 £000
Catering stocks	12	10

18. Debtors

	2023 £000	2022 £000
Trade debtors	77	18
Amounts owed by group undertakings	50	23
Other debtors	6	1
Prepayments and accrued income	488	460
VAT recoverable	107	112

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19. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Other loans	7	7
Trade creditors	273	380
Other taxation and social security	295	269
Other creditors	313	388
Accruals and deferred income	694	717
	1,582	1,761
	2023 £000	2022 £000
Deferred income at 1 September 2022	226	260
Resources deferred during the year	285	226
Amounts released from previous periods	(226)	(260)
Deferred income at 31 August 2023	285	226

At the reporting date the Trust was holding funds received in relation to trip income and universal infant free school meals.

20. Creditors: Amounts falling due after more than one year

	2023 £000	2022 £000
Loan from ESFA under Condition Improvement Fund	35	42
	35	42

This loan was received in 2019 to enable the Trust to update the fire safety equipment at its Thomas Bewick campus. The loan is repayable from GAG over ten years, with a repayment holiday until March 2021. It attracts an interest rate of 2.29%.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
Unrestricted funds	106	741	(753)	-	-	94
Endowment funds						
Endowment Fund	1,309	34	(7)	-	(21)	1,315
Restricted general funds						
General Annual Grant (GAG)	83	14,274	(14,172)	(8)	-	177
Pupil premium	-	1,488	(1,488)	-	-	-
Other DfE/ESFA grants	-	1,151	(1,151)	-	-	-
SEN	-	1,632	(1,632)	-	-	-
Other Government grants	-	905	(905)	-	-	-
Other income	-	22	(22)	-	-	-
Other DfE/ESFA COVID-19 funding	-	416	(416)	-	-	-
Pension reserve	(510)	(40)	(400)	-	950	-
	(427)	19,848	(20,186)	(8)	950	177
Restricted fixed asset funds						
Transferred on conversion	43,070	-	(377)	-	-	42,693
DfE/ESFA capital grants	565	223	(159)	-	-	629
Capital expenditure from GAG	81	-	(55)	8	-	34
Local Authority	72	-	(24)	-	-	48
Sports England	63	-	(20)	-	-	43
CIF	188	-	(55)	-	-	133

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Donations	47	-	(7)	-	-	40
Other grants	4	-	1	-	-	5
Endowment fund	4	-	(1)	-	-	3
Insurance claim	172	95	(94)	-	-	173
SCA	178	309	(104)	-	-	383
Diocese	-	25	-	-	-	25
	<u>44,444</u>	<u>652</u>	<u>(895)</u>	<u>8</u>	<u>-</u>	<u>44,209</u>
Total Restricted funds	<u>44,017</u>	<u>20,500</u>	<u>(21,081)</u>	<u>-</u>	<u>950</u>	<u>44,386</u>
Total funds	<u><u>45,432</u></u>	<u><u>21,275</u></u>	<u><u>(21,841)</u></u>	<u><u>-</u></u>	<u><u>929</u></u>	<u><u>45,795</u></u>

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE/ESFA Grants also includes the PE and sport premium grant, rates relief, teachers' pay grant and teachers' pension grant.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 28.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly. Unrestricted funds also include fixed assets purchased from unrestricted income.

A transfer of £8,000 has been made to capital expenditure from GAG to reflect those items included within fixed assets which have been purchased using GAG monies.

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21. Statement of funds (continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
Unrestricted funds	118	652	(664)	-	-	106
Endowment funds						
Endowment Fund	1,518	21	(84)	-	(146)	1,309
Restricted general funds						
General Annual Grant (GAG)	(329)	13,704	(13,242)	(50)	-	83
Pupil premium	-	1,362	(1,362)	-	-	-
Other DfE/ESFA grants	5	826	(831)	-	-	-
SEN	-	1,440	(1,440)	-	-	-
Other Government grants	-	1,085	(1,085)	-	-	-
Other income	17	39	(56)	-	-	-
Other DfE/ESFA COVID-19 funding	-	328	(328)	-	-	-
Catch-up premium	107	-	(103)	(4)	-	-
Pension reserve	(15,270)	-	(1,960)	-	16,720	(510)
	<u>(15,470)</u>	<u>18,784</u>	<u>(20,407)</u>	<u>(54)</u>	<u>16,720</u>	<u>(427)</u>
Restricted fixed asset funds						
Transferred on conversion	43,447	-	(377)	-	-	43,070
DfE/ESFA capital grants	215	464	(114)	-	-	565
Capital expenditure from GAG	124	-	(93)	50	-	81

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21. Statement of funds (continued)

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Local Authority	78	-	(6)	-	-	72
Sports England	83	-	(20)	-	-	63
CIF	251	-	(63)	-	-	188
Donations	54	-	(7)	-	-	47
Other grants	2	-	(2)	4	-	4
Endowment fund	5	-	(1)	-	-	4
Insurance claim	-	175	(3)	-	-	172
SCA	-	302	(124)	-	-	178
	<u>44,259</u>	<u>941</u>	<u>(810)</u>	<u>54</u>	<u>-</u>	<u>44,444</u>
Total Restricted funds	<u>28,789</u>	<u>19,725</u>	<u>(21,217)</u>	<u>-</u>	<u>16,720</u>	<u>44,017</u>
Total funds	<u><u>30,425</u></u>	<u><u>20,398</u></u>	<u><u>(21,965)</u></u>	<u><u>-</u></u>	<u><u>16,574</u></u>	<u><u>45,432</u></u>

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £000	2022 £000
Central services	(263)	(438)
Duke's Secondary School	367	442
Bishop's Primary School	472	226
Castle School	2	(35)
Warkworth Church of England Primary School	(85)	44
James Knott CofE Primary School	10	64
William Leech CofE Primary School	(336)	(182)
Grace Darling CofE Primary School	(60)	(51)
Thomas Bewick CofE Primary School	119	119
St Michaels CofE Primary School	45	-
	<u>271</u>	<u>189</u>
Total before fixed asset funds and pension reserve	271	189
Restricted fixed asset fund	44,209	44,444
Pension reserve	-	(510)
Total	<u><u>44,480</u></u>	<u><u>44,123</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Several trust schools carrying net reserve deficits. These have arisen as a result of a number of years of underfunding, despite rigorous efforts to increase income and reduce costs, which will continue into the future. The Trust is taking the following action to return these funds to surplus:

- Retendering and constant monitoring of supplier performance against budget
- Refocus of all budget holders on the need to deliver results in line with those budgeted
- Imaginative staffing solutions when opportunities arise to re-think our structure while continuing to support our pupils.

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21. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	Total 2022 £000
Central services	629	791	21	(286)	1,155	3,708
Duke's Secondary School	5,136	450	270	1,406	7,262	6,367
Bishop's Primary School	1,716	145	82	385	2,328	2,166
Castle School	1,941	126	49	553	2,669	2,250
Warkworth Church of England Primary School	653	112	50	184	999	782
James Knott CofE Primary School	882	124	41	284	1,331	1,150
William Leech CofE Primary School	725	108	37	236	1,106	1,038
Grace Darling CofE Primary School	1,823	255	68	466	2,612	2,375
Thomas Bewick CofE Primary School	1,087	106	35	263	1,491	1,334
St Michaels CofE Primary School	81	15	4	33	133	-
Trust	<u>14,673</u>	<u>2,232</u>	<u>657</u>	<u>3,524</u>	<u>21,086</u>	<u>21,170</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	94	-	44,108	-	44,202
Fixed asset investments	-	-	-	1,279	1,279
Current assets	-	1,794	101	36	1,931
Creditors due within one year	-	(1,582)	-	-	(1,582)
Creditors due in more than one year	-	(35)	-	-	(35)
Total	94	177	44,209	1,315	45,795

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	106	-	44,493	-	44,599
Fixed asset investments	-	-	-	1,320	1,320
Current assets	9	1,721	7	89	1,826
Creditors due within one year	(9)	(1,638)	(14)	(100)	(1,761)
Creditors due in more than one year	-	-	(42)	-	(42)
Provisions for liabilities and charges	-	(510)	-	-	(510)
Total	106	(427)	44,444	1,309	45,432

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FOR THE YEAR ENDED 31 AUGUST 2023

23. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(587)	(1,713)
Adjustments for:		
Depreciation	755	711
Capital grants from DfE and other capital income	557	768
Defined benefit pension scheme cost less contributions payable	440	1,710
Defined benefit pension scheme finance cost	-	250
Increase in stocks	(2)	(2)
(Increase)/decrease in debtors	(114)	120
(Decrease)/increase in creditors	(179)	187
(Gains)/Loss on fixed asset investments	21	146
Net cash provided by operating activities	891	2,177

24. Cash flows from financing activities

	2023 £000	2022 £000
Repayments of borrowing	(7)	(7)
Net cash used in financing activities	(7)	(7)

25. Cash flows from investing activities

	2023 £000	2022 £000
Purchase of tangible fixed assets	(358)	(877)
Purchase of investments	(343)	(879)
Proceeds from the sale of investments	363	872
Capital grants from DfE Group	(557)	(768)
Net cash used in investing activities	(895)	(1,652)

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	1,191	1,202
Total cash and cash equivalents	1,191	1,202

27. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2023 £000
Cash at bank and in hand	1,202	(11)	-	1,191
Debt due within 1 year	(7)	7	(7)	(7)
Debt due after 1 year	(42)	-	7	(35)
	1,153	(4)	-	1,149

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

Contributions amounting to £308,000 were payable to the schemes at 31 August 2023 (2022 - £287,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. 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 prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,754,000 (2022 - £1,632,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,210,000 (2022 - £1,110,000), of which employer's contributions totalled £900,000 (2022 - £830,000) and employees' contributions totalled £ 310,000 (2022 - £280,000). The agreed contribution rates for future years are 18.4% for employers and 5.5 to 12.5% for employees.

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.

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	4.10	4.20
Rate of increase for pensions in payment/inflation	2.60	2.70
Discount rate for scheme liabilities	5.10	4.10
Inflation assumption (CPI)	2.60	2.70
Commutation of pensions to lump sums	75.00	75.00

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

	2023 Years	2022 Years
Retiring today		
Males	21.0	21.8
Females	24.1	25.0
Retiring in 20 years		
Males	22.2	23.5
Females	25.5	26.7

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(450)	(630)
Discount rate -0.1%	450	660
Mortality assumption - 1 year increase	(570)	(740)
Mortality assumption - 1 year decrease	570	740
CPI rate +0.1%	400	560
CPI rate -0.1%	(380)	(560)

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28. Pension commitments (continued)

Share of scheme assets

The Trust's share of the assets in the scheme was:

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	14,240	13,950
Government bonds	360	420
Corporate bonds	5,230	4,820
Property	2,850	2,880
Cash	470	470
Multi Asset Credit	1,270	1,140
Other	3,240	2,260
Total market value of assets	<u>27,660</u>	<u>25,940</u>

The actual return on scheme assets was £600,000 (2022 - £(400,000)).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023 £000	2022 £000
Current service cost	(1,300)	(2,540)
Interest income	1,080	440
Interest cost	(1,080)	(690)
Total amount recognised in the Statement of Financial Activities	<u>(1,300)</u>	<u>(2,790)</u>

Changes in the present value of the defined benefit obligations were as follows:

	2023 £000	2022 £000
At 1 September	26,450	40,900
Transferred in on existing academies joining the trust	410	-
Current service cost	1,300	2,540
Interest cost	1,080	690
Employee contributions	310	280
Actuarial gains	(5,360)	(17,560)
Benefits paid	(460)	(400)
Asset ceiling restriction	3,930	-
At 31 August	<u>27,660</u>	<u>26,450</u>

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28. Pension commitments (continued)

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2023 £000	2022 £000
At 1 September	25,940	25,630
Transferred in on existing academies joining the trust	370	-
Interest income	1,080	440
Actuarial losses	(480)	(840)
Employer contributions	900	830
Employee contributions	310	280
Benefits paid	(460)	(400)
At 31 August	27,660	25,940

29. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Not later than 1 year	67	79
Later than 1 year and not later than 5 years	240	230
Later than 5 years	58	115
	365	424

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30. Conversion to an academy trust

On 1 July 2023 St Michael's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Northumberland Church of England Academy Trust from Northumberland County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Current assets			
Cash - representing budget surplus on LA funds	47	-	47
Current liabilities			
Deferred income	-	(7)	(7)
LGPS pension surplus / (deficit)	-	40	40
Net assets	47	33	80

31. Contingent liabilities

There is an ongoing dispute with a supplier which has invoiced the Trust in respect of additional costs that they incurred in respect of a contract they were fulfilling. The contract signed was for a fixed price and the Trust, in line with its legal advice, has disputed the amount in its entirety.

32. Related party transactions

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

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NOTES TO THE FINANCIAL STATEMENTS
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32. Related party transactions (continued)

Expenditure related transactions

Newcastle Diocesan Education Board - a Trust sponsor from which Trustees have been appointed. The Newcastle Diocesan Education Board (NDEB) is a Member of the Academy Trust and jointly employs the Joint Education Team (JET), together with the Durham Diocesan Board of Finance, which is unconnected with the Trust. The JET works across both the CofE Diocese of Newcastle and CofE Diocese of Durham.

The JET team's officers provide services to the Trust under a partnering agreement and £7,000 (2022: £12,000) was paid to the NDEB during the period as part of the basic partnering support agreement charged to all CofE schools within the Diocese. A number of services were also reimbursed to the Trust this year of £25,000. There were no amounts outstanding at 31 August 2023 (2022: £nil).

- In entering into the transaction the academy Trust has complied with the requirements of the Academy Trust Handbook 2022.

Ward Hadaway - a company in which A Cox, Trustee, is a partner.

- The Trust continues to use Ward Hadaway for Legal Services. A Cox, as a property partner, has no involvement in this contract.
- During the year, Ward Hadaway charged the Trust £31,000 (2022: £14,000) for these services. Included within trade creditors is an amount of £1,000 (2022: £1,000) owed to Ward Hadaway.
- Per the Academy Trust Handbook 2022 the 'at cost' requirement does not apply.

Whilst the following does not meet the definition of related party transactions, as set out in the ATH and the Charity SORP, the following transactions have taken place.

J Marshall, Trustee, is the chairman of Newcastle United Foundation. During the year the following transactions were entered into:

Sports goods and services of £28,000 were purchased and rental income of £6,000 was received from the above.

J Marshall had no involvement in transactions set out above.

The Dioceses of Durham and Newcastle - Member of the Trust. During the year the following transactions were entered into:

Services of £7,000 were purchased and income of £25,000 was received from the above.

Included within trade debtors is an amount of £25,000.

33. Agency arrangements

The Trust distributed 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023, the Trust received £22,000 (2022: £27,000) and disbursed £20,000 (2022: £38,000) from the fund. An amount of £2,000 (2022: £nil) is included in other creditors relating to undistributed funds that is repayable to ESFA if it remains unused.

