

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 2024

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

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

J R Brearley - Chair of Trustess
H A Hartley - Bishop of Newcastle
P Pearson - Appointed by Newcastle Diocesan Education Board
C Sourbut-Groves - Representing Newcastle Diocesan Education Board
R Wilson - Appointed by Newcastle Diocesan Education Board in consultation with Northumberland Estates

Trustees

J R Brearley, Chair¹
J Marshall, Vice Chair¹
R Bishopp
A Cox
E Gadsby
A J Hardie, CEO and Accounting Officer
A M Hodson
J Hope¹
R J Mays
F C Nash¹
S Ross
R Scheffer¹

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

Wansbeck Workspace
Rotary Parkway
Ashington
Northumberland
NE63 8QZ

Chief executive officer

A J Hardie

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Executive leadership team

A J Hardie, (Accounting Officer), Chief Executive Officer
A J Alden, Chief Finance and Operating Officer
C Mullen, Headteacher of James Knott C of E Primary School
S Cole, Headteacher of Grace Darling C of E Primary School
A Thompson, Headteacher of William Leech C of E Primary School
R Atkinson, Principal of Duke's Secondary 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
J Booth, Headteacher of Warkworth 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 2024

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2023 to 31 August 2024. 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 had 2,980 pupils on roll in the school census in May 2024 from early years to Year 14.

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

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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, Governance and Management (continued)

Organisational Structure

The CEO is responsible for the day-to-day running of the Trust. There are nine school Headteachers or Principals and a Chief Finance and Operating Officer (CFOO). Headteachers and Principals respectively have responsibility for leading our schools.

The CEO and CFOO are responsible for all central services operations. The CEO is responsible for the strategic leadership of school improvement. The CEO, CFOO 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.

NCEA Trading Ltd (Company number: 13500098) is a wholly owned subsidiary of the Trust. They operate out of a school within the Trust, providing Nursery services to staff members of the Trust. These staff members are able to pay for this childcare via deductions from their wages. There isn't a specific organisational structure in place for this.

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. Appraisals carried out by line managers are 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, undertakes 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 CFOO is undertaken by a panel of Trustees from the Finance, Operations and Risk Committee, covering finance, HR, ICT, marketing and communications, estates and facilities, governance and leadership.

A panel of Governors and the CEO, supported by the relevant School Improvement Partner or External Advisor, 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 the Trust Remuneration Panel, who have delegated authority from the Trust Board.

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TRUSTEES' REPORT (CONTINUED)
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Structure, Governance and Management (continued)

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.

The Trust is supported by an endowment trust known as The Northumberland Church of England Academy Endowment Trust. This trust was established by the original sponsors and is a separate legal entity, with funds invested separately with professional investment managers. Under the terms of the trust deed, 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:

- Assisting and supporting the education of students at the Trust including the provision of awards, prizes and other awards.
- 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.
- 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).
- 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.
- Fostering closer ties between the Trust and community, including promoting education in the community.

NCEA Trading Ltd is a wholly owned subsidiary of the Trust who provides nursery services to staff members. The subsidiary itself has no bank accounts, and operates out of an intercompany account within the Trust. However there are no direct transactions with the Trust itself in regard to purchases and sales.

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.

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TRUSTEES' REPORT (CONTINUED)
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Structure, Governance and Management (continued)

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 2024

Structure, Governance and Management (continued)

OBJECTIVES AND ACTIVITIES

Objectives and Aims

Trust Development Plan 2024-25

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

<p>Our NCEAT LIGHT Values</p>	<p>Love Inclusivity Goodness Hope Truth</p>	<p>Love Care for each other. Help others do well. Support those in need. <small>Mark 12:31, John 3:16, John 13:24-35, Romans 12:10, 1 Corinthians 13:1, John 4:11</small></p>	<p>Inclusivity Be welcoming and inclusive. Celebrate each person's worth. Forgive and make peace. <small>Matthew 6:12, Ephesians 4:2, Ephesians 4:32</small></p>	<p>Goodness Work hard, do what is right. Treat others well. Do good and serve others. <small>Luke 6:31, Galatians 5:22, Hebrews 10:24, Peter 1:5</small></p>	<p>Hope Aspire to be the best we can be. Learn from our mistakes. Show determination. <small>Psalms 25:21, Psalm 31:24, Psalm 33:18, Romans 15:4, Colossians 1:5</small></p>	<p>Truth Tell the truth. Take responsibility. Act with integrity and respect. <small>Proverbs 12:17, Mark 12:14, John 1:17, John 8:12, John 14:6</small></p>
Our mission:						
 "Life in all its fullness" <small>John 10:10</small>	 Wisdom, knowledge, skills	 Hope and aspiration	 Dignity and respect	 Investing in our people	 Serving with integrity	
<small>Creating an inclusive, nurturing culture where all pupils are valued and empowered to flourish.</small>	<small>Delivering a broad and balanced curriculum, through quality teaching, focused on knowledge and skills for lifelong success.</small>	<small>Removing barriers and creating opportunities for personal development to enhance life chances.</small>	<small>High expectations for good behaviour and respect towards others, so all pupils can learn with dignity.</small>	<small>Valuing and developing staff, committed to continuous improvement and being 'employer of choice'.</small>	<small>Our thriving schools are at the heart of their communities, building positive, sustainable relationships with neighbours.</small>	
Our 2023-2024 Trust Development Plan Objectives:						
<small>2023-24 target We will ensure that each school has an appropriate target to empower pupils to flourish and enjoy 'life in all its fullness'.</small>	<small>2023-24 target We will ensure that curriculum plans include the explicit teaching of subject specific vocabulary development and opportunities for pupils to develop oracy skills.</small>	<small>2023-24 target We will ensure each school enrichment programme is engaging, supports personal development and that disadvantage is not a barrier to attendance.</small>	<small>2023-24 target We will plan strategically to meet the challenge of increase in pupils with profound needs in SEND and behaviour support.</small>	<small>2023-24 target We will develop an effective people strategy, setting out how we support, develop and empower staff to be the best they can be.</small>	<small>2023-24 target We will ensure that we are financially sustainable so we can maximise the impact of our funding on the education of our pupils.</small>	

Objectives, Strategies and Activities

Life in all its fullness

- 1a. Bishop's: Continue to focus on and enhance pupil leadership within our school and the wider community, to enable all children to flourish and develop.
- 1b. Castle: Quality of life and wellbeing of all students is enhanced within a holistic approach to personal development.
- 1c. Duke's: Increase opportunities for students and parents to contribute to the review and development of the school.
- 1d. Grace Darling: Increase opportunities for parents to contribute to school growth and for junior leadership within the school to empower our young people to flourish.
- 1e. James Knott: To provide opportunities for experiential learning
- 1f. St Michael's: Refine understanding of, and approach to spirituality to enable more effective spiritual development opportunities for pupils to benefit.
- 1g. Thomas Bewick: Continue to engage parents in school, providing further opportunities, which in turn will provide wider opportunities for our children in or out of school.
- 1h. Warkworth: Linked to our school context, embed wider opportunities for all pupils, ensuring children can enjoy 'life in all its fullness'.
- 1i. William Leech: To increase the number of opportunities for children to be active during the school day.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

(continued)

Educating for wisdom, knowledge and skills

- 2a. Embed the Read Write Inc. phonics scheme in all NCEAT primary schools.
- 2b. Ensure that all curriculum plans include the explicit and progressive teaching of tier 3 vocabulary.
- 2c. Ensure that all curriculum plans include explicit opportunities for pupils to develop their oracy skills.
- 2d. Ensure that assessments are well matched to each curriculum plan, providing appropriate and progressive opportunities to develop extended writing and other examination skills.

Hope and aspiration

- 3a. Ensure that there is a systematic analysis of participation in enrichment activities and extracurricular visits.
- 3b. Review of attendance systems, communications etc. to improve attendance, reduce PA and increase parental engagement.

Dignity and respect

- 4a. Implement strategic planning to support our mainstream schools with the increasing number of pupils with more profound SEND and behavioural needs.
- 4b. Increase the capacity of Castle School sustainably in stages to support Northumberland with meeting the growing demand for special school places.
- 4c. Ensure that there is a systematic approach for staff visits, monitoring and record keeping for pupils in Alternative Provision.

Investing in our people

- 5a. Develop and implement an effective people strategy for NCEAT.
- 5b. Ensure that all staff are supported in their roles with a high quality appraisal process
- 5c. Develop an NCEAT career progression model, supported by appropriate CPD.

Serving with integrity

- 6a. ELT will develop and implement an improving internal communications strategy, with a focus on increasing awareness of strategies required to achieve financial stability.
- 6b. Agree a set of trust 'non negotiables' for schools joining NCEAT.
- 6c. Review practices in key areas across NCEAT primary schools.

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 2024

Strategic report

Achievements and performance

The external examination results for A level/ Level 3 vocational courses were very strong. GCSE results were down from the record breaking results of 2023, as expected due to lower prior attainment of the year group. Primary results continued to show an encouraging recovery from the impacts of Covid in both progress and attainment. Attendance across Trust Schools was mostly 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	Good overall and Good every category	July 2024
NCEA James Knott	Good across every category	October 2024
NCEA Thomas Bewick	Good overall and Good every category	May 2024
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	Good overall and Good every category	June 2024
The Nest (nursery)	Good overall and Good every category	October 2023

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

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

	2023-24	2022-23
Average number of pupils*	2,942	2,853
Publicly funded income per pupil	£8,149	£7,086
Staff costs per pupil	£6,539	£5,754
Staff costs as a % of total costs	80.44%	79.94%
Staff costs as a % of income	81.10%	79.60 %
Net cash inflow/(outflow)	£491k	(£11k)

*Excluding joining schools in the prior year

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)
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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 2024 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 2024 total income of £24,612,000 (2023: £21,275,000) was in excess of expenditure. The excess of income over expenditure for the year (before transfers and actuarial gains, excluding the endowment funds and excluding fixed asset funds) was £670,000 (2023: £351,000).

The in-year surplus, excluding the pension reserve, endowment funds and restricted fixed asset funds, was £176,000.

The financial outcome for the year was only achieved by tight adherence to cost control and after some challenging financial decisions. We received significant additional income, but this was largely immediately offset by matching costs.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

At 31 August 2024 net book value of tangible fixed assets was £44,061,000 and movements in tangible fixed 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: £-) recognised on the Balance Sheet.

The Trust held fund balances as at 31 August 2024 of £46,055,000 (2023: £45,795,000) comprising £365,000 (2023: £177,000) of restricted general funds, £82,000 (2023: £94,000) of unrestricted funds, £44,123,000 (2023: £44,209,000) of restricted fixed asset funds, a pension deficit of £Nil (2023: £nil) and £1,485,000 (2023: £1,315,000) of endowment funds. The total of restricted general funds, excluding pension reserves, plus unrestricted funds as of 31 August 2024 was a surplus of £447,000.

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 2024 is a net surplus of £447,000. 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 regularly monitor 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. The trust invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This approach maximises investment return whilst minimising risk.

Principal Risks and Uncertainties

The Trust is subject to a number of risks and uncertainties. The Trust has in place procedures to identify and mitigate these risks. The principal financial 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 its buildings and facilities, its IT estate including cyber-security, health and safety and safeguarding. After assessing the design and operation of controls, where significant risk still remains, they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial control and this is explained in more detail in the Governance Statement.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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 nine schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope of business travel in employee-owned or hire vehicles (grey fleet). St. Michael's Church of England primary School joined the academy trust in July 2023, however, was excluded from the previous report due to limitations in available data.

Reporting period

The annual reporting period is 1 September 2023 to 31 August 2024 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 2024 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, consumption figures were estimated using the pro-rata estimation technique and direct comparison. 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).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Streamlined Energy and Carbon Reporting (continued)

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

Energy type	2023/24	2022/23
Mandatory requirements		
Gas	3,462,344	2,946,013
Purchased electricity from the grid	1,341,047	1,264,895
Transport fuel	31,255	22,580
Total energy (mandatory)	4,834,647	4,233,489
Voluntary requirements		
Biomass	829,277	1,720,594
Consumed electricity from on-site renewable sources	33,914	36,437
Total energy (voluntary)	863,191	1,757,031
Total energy (mandatory and voluntary)	5,697,837	5,990,520

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Streamlined Energy and Carbon Reporting (continued)

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

Energy type	2023/24	2022/23
Mandatory requirements		
Scope 1		
Natural gas	633.5	538.9
Company owned vehicles (minibuses)	3.5	2.7
Scope 2		
Purchased electricity (location based)	277.7	261.9
Scope 3		
Category 6: Business travel (grey fleet)	4.0	2.7
Total gross emissions (mandatory)	918.4	806.3
Voluntary requirements		
Biomass (N ₂ O & CH ₄ only emissions)	8.7	17.1
Consumed electricity from on-site renewable sources	0.0	0.0
Total gross emissions (voluntary)	8.7	17.1
Total gross emissions (mandatory and voluntary)	927.1	823.4
Outside of scope		
Biomass (CO₂ only emissions)	271.0	562.3

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 2023 Census. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of most emissions.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Streamlined Energy and Carbon Reporting (continued)

Intensity ratio type	2023/24	2022/23
<hr/>		
Intensity ratios (mandatory emissions only)		
Tonnes of CO2 per pupil	0.317	0.287
Tonnes of CO2 per square metre floor area	0.029	0.027
<hr/>		
Intensity ratios (mandatory and voluntary emissions)		
Tonnes of CO2 per pupil	0.320	0.293
Tonnes of CO2 per square metre floor area	0.030	0.028
<hr/>		

Energy efficiency action during current financial year

In the reporting period September 2024 - August 2024, the academy trust has taken the following energy efficiency actions:

- LED lighting upgrades have been installed throughout St. Michael's CofE Primary School.

The academy trust remains committed to reducing its carbon footprint and continues to look out for new energy saving and funding opportunities going forward.

Plans for Future Periods

Continued growth within the trust is a clear objective, however this 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 students, 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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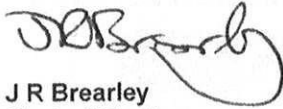
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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 11 December 2024 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

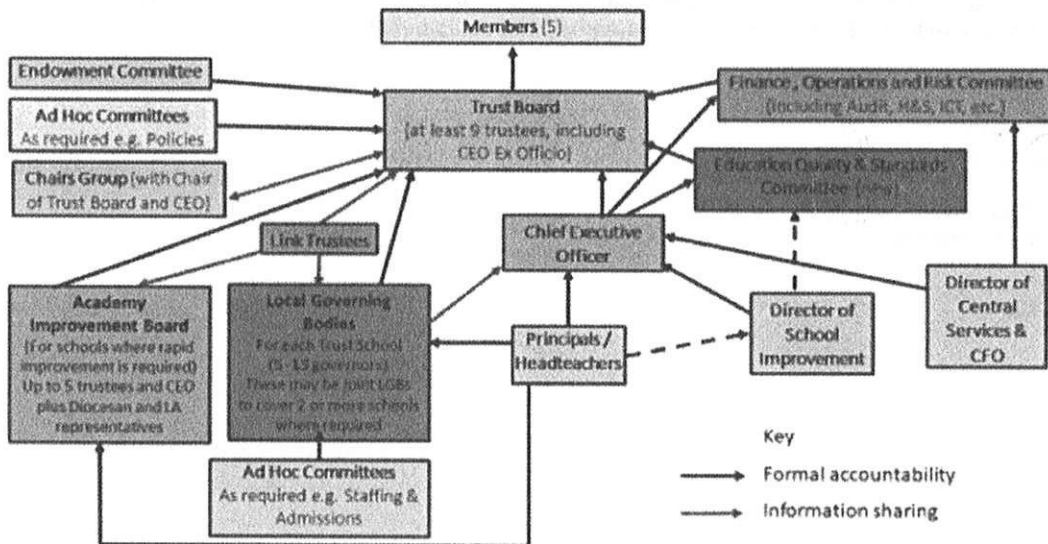
Scope of Responsibility

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 DfE's Academy Trust Governance Guide.

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 seven 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.

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

Trustee	Meetings attended	Out of a possible
J R Brearley - Chair	7	7
J Marshall, Vice Chair	6	7
R Bishopp	7	7
A Cox	5	7
E Gadsby	5	7
A J Hardie, CEO and Accounting Officer	7	7
A M Hodson	6	7
J Hope	4	7
R J Mays	7	7
F C Nash	7	7
S Ross	6	7
R Scheffer	4	7

Key Governance events 2023-34

Retirement and new appointment: In July 2023, Revd Dennis Handley retired as a Member. Trustees were pleased to welcome The Right Revd Dr Helen-Ann Hartley, Bishop of Newcastle, who joined the board as a Member following her appointment as Bishop of Newcastle in September 2023.

LGB restructuring: Following recommendations from an external review of governance, the Ashington Local Governing Body (LGB), which previously oversaw both James Knott and Thomas Bewick CofE Primary Schools, was split into separate LGBs for each school. This restructuring has been highly successful, with both new boards demonstrating growth and strength under the leadership of experienced and new governors. Both boards are now led by strong and capable chairs.

Headteachers as governors: All headteachers within the Trust have now formally taken on roles as governors for their respective schools, further aligning leadership with governance.

Trust board stability: Membership of the Trust Board has remained stable throughout the year with no new trustees appointed.

Governor recruitment: Efforts remain focused on recruiting local governors to ensure a diverse range of skills, while strengthening the challenge and support offered to school leadership.

OFSTED participation: Governors participated in three inspections across the Trust's schools, all of which received 'Good' ratings for leadership and management.

Three of the Trust schools received graded inspections by Ofsted during the period 2023-24. Grace Darling, Thomas Bewick and William Leech were all judged as Good overall and in each category. The Nest, the trust's nursery for children from 6 months onwards, was also judged as Good overall in each category.

The annual strategy day held on 14 October 2023 and attended by Trustees and Governors, was a great success. The theme was "letting our lights shine" and the event was opened by the Right Reverend Dr Helen-Ann Hartley, Bishop of Newcastle.

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.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Governance Review

The Education Quality and Standards Committee (EQS) ensures robustness in standards across all schools in the Trust and to support accountability and challenge to the CEO.

Attendance was as follows

Trustee	Meetings attended	Out of a possible
R J Mays, Chair of EQS	4	4
A J Hardie, CEO and Accounting Officer	4	4
R Bishopp	4	4
S Ross	4	4

The Finance, Operations and Risk Committee (FORC) is a sub-committee of the main Board of Trustees and has met six 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 CFOO are in attendance):

Trustee	Meetings attended	Out of a possible
J R Brearley, Chair	6	6
J Marshall, Vice Chair	5	6
A Alden, CFOO	6	6
A J Hardie, CEO and Accounting Officer	6	6
J Hope	5	6
F C Nash	5	6
R Scheffer	5	6

Effective communication between the Board and its committees continues to be a key priority. A Chairs' Forum, led by the Chair of Trustees, is convened prior to each Trust Board meeting. This forum provides an informal platform for committee and Local Governing Body (LGB) chairs to raise concerns, share best practices and celebrate achievements. To ensure consistency, a standardised feedback process has been implemented following LGB meetings with a summary of this feedback discussed at every board meeting.

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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money (continued)

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 2026 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
- ensuring that health and safety and estates audits have been completed across all sites, including remedial actions identified and completed

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 2023 to 31 August 2024 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 2024 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 audit 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.

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the Board of Trustees on 11 December 2024 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 2023, 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 2023.

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: 11 December 2024

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024

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:

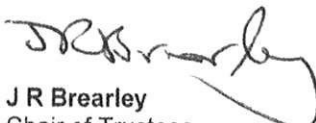
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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: 11 December 2024

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 2024 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 2023 to 2024 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 2024 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
(A Company Limited by Guarantee)

**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 2024

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 2023 to 2024, 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 2023 to 31 August 2024 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 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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 Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- 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 2023 to 31 August 2024 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 2024

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 2024**

	Note	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income and endowments from:							
Donations and capital grants	4	34	-	407	-	441	570
Other trading activities		335	-	-	-	335	447
Investments	7	40	230	-	39	309	38
Charitable activities		345	23,182	-	-	23,527	20,220
Total income and endowments		<u>754</u>	<u>23,412</u>	<u>407</u>	<u>39</u>	<u>24,612</u>	<u>21,275</u>
Expenditure on:							
Raising funds		-	-	-	8	8	7
Charitable activities		766	22,730	767	-	24,263	21,834
Total expenditure		<u>766</u>	<u>22,730</u>	<u>767</u>	<u>8</u>	<u>24,271</u>	<u>21,841</u>
Net income/ (expenditure) before net gains/(losses) on investments		(12)	682	(360)	31	341	(566)
Net gains/(losses) on investments		-	-	-	139	139	(21)
Net income/ (expenditure)		<u>(12)</u>	<u>682</u>	<u>(360)</u>	<u>170</u>	<u>480</u>	<u>(587)</u>
Transfers between funds	21	-	(274)	274	-	-	-
Net movement in funds before other recognised gains/(losses) carried forward		<u>(12)</u>	<u>408</u>	<u>(86)</u>	<u>170</u>	<u>480</u>	<u>(587)</u>

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 2024

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Note						
Net movement in funds before other recognised (losses)/gains brought forward	(12)	408	(86)	170	480	(587)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	29	280	-	-	280	4,880
Asset ceiling restriction	-	(500)	-	-	(500)	(3,930)
Net movement in funds	<u>(12)</u>	<u>188</u>	<u>(86)</u>	<u>170</u>	<u>260</u>	<u>363</u>
Reconciliation of funds:						
Total funds brought forward	94	177	44,209	1,315	45,795	45,432
Net movement in funds	(12)	188	(86)	170	260	363
Total funds carried forward	<u>82</u>	<u>365</u>	<u>44,123</u>	<u>1,485</u>	<u>46,055</u>	<u>45,795</u>

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

The notes on pages 37 to 73 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 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	15	44,061	44,202
Investments	16	1,411	1,279
		45,472	45,481
Current assets			
Stocks	17	8	12
Debtors	18	819	728
Cash and cash equivalents		1,682	1,191
		2,509	1,931
Creditors: amounts falling due within one year	19	(1,899)	(1,582)
Net current assets		610	349
Total assets less current liabilities		46,082	45,830
Creditors: amounts falling due after more than one year	20	(27)	(35)
Net assets excluding pension asset		46,055	45,795
Total net assets		46,055	45,795

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

	Note	2024 £000	2023 £000
Funds of the Trust			
Endowment funds	21	1,485	1,315
Restricted funds:			
Fixed asset funds	21	44,123	44,209
Restricted income funds	21	365	177
Total restricted funds	21	44,488	44,386
Unrestricted income funds	21	82	94
Total funds		46,055	45,795

The financial statements on pages 32 to 73 were approved by the Trustees, and authorised for issue on 11 December 2024 and are signed on their behalf, by:


J R Brearley
 (Chair of Trustees)

The notes on pages 37 to 73 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 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	1,537	891
Cash flows from investing activities			
Cash flows from investing activities	25	(1,039)	(895)
Cash flows from financing activities			
Cash flows from financing activities	24	(7)	(7)
Change in cash and cash equivalents in the year		491	(11)
Cash and cash equivalents at the beginning of the year		1,191	1,202
Cash and cash equivalents at the end of the year	26, 27	<u>1,682</u>	<u>1,191</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 2024 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 2024

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 2024

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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.14 Pensions (continued)

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 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 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 33.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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:

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 29, 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 2024. 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 £4,430k. 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 (£1,000k) exceed the employer future service costs (£1,030k) 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 £25,810 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 £780,000.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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

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.

Some of the Trust buildings are owned by the Diocese of Hexham and Newcastle. The Trust occupies the buildings under a mere licence. The licence delegates aspects of the management of the buildings to the Trust for the time being, but does not vest any rights over the buildings to the academy trust. The Diocese of Hexham and Newcastle has given an undertaking to the Secretary of State that they will not give Trust less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the Trust is occupying the buildings, the Directors have concluded that the value of the buildings occupied by the Trust at the date of conversion to a Trust will not be recognised on the balance sheet of the Trust. In addition, whilst the occupation constitutes a donation in kind to the Trust, the Trustees consider that the cost of obtaining a valuation for such a donation outweighs the expense and therefore no such donation and related expense are included in the Statement of Financial Activities. Additions since conversion funded by grant bids or from GAG have been capitalised as leasehold improvements and written off over their economic life.

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 2024 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 2024.

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

4. Income from donations and capital grants

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Donations					
Income from Local Authority on Conversion	-	-	-	-	40
Pension Deficit on Conversion	-	-	-	-	(40)
Donations	34	-	-	34	13
Capital Grants					
School Condition Allocation	-	-	328	328	309
Devolved Formula Capital	-	-	79	79	73
Other Capital Grants	-	-	-	-	175
	<u>34</u>	<u>-</u>	<u>407</u>	<u>441</u>	<u>570</u>
	<u>34</u>	<u>-</u>	<u>407</u>	<u>441</u>	<u>570</u>
Total 2023	<u>60</u>	<u>(47)</u>	<u>557</u>	<u>570</u>	

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

5. Funding for the Trust's educational operations

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	15,539	15,539	13,738
Other DfE/ESFA grants				
Pupil Premium	-	1,548	1,548	1,488
PE and Sport Premium	-	147	147	124
UFSM	-	189	189	170
Rates	-	70	70	70
16-19 core education funding	-	550	550	536
Teachers' pay grant	-	355	355	9
Teachers' pension grant	-	275	275	145
Other DfE/ESFA grants	-	139	139	32
Supplementary Grant	-	-	-	397
Mainstream Schools Additional Grant	-	511	511	204
	-	19,323	19,323	16,913
Other Government grants				
SEN	-	2,380	2,380	1,632
Early Years Funding	-	943	943	851
Local Authority grants	-	196	196	54
	-	3,519	3,519	2,537
Other income from the Trust's educational operations	345	3	348	354
COVID-19 additional funding (DfE/ESFA)				
Recovery Premium	-	258	258	245
National Tutoring Program	-	79	79	173
Other DfE/ESFA COVID-19 funding	-	-	-	(2)
	-	337	337	416
	345	23,182	23,527	20,220
	345	23,182	23,527	20,220
Total 2023	325	19,895	20,220	

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

6. Income from other trading activities

	Unrestricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from facilities and services	167	-	167	146
Rental and lettings income	86	-	86	86
RPA claims	-	-	-	95
Other	82	-	82	120
	<u>335</u>	<u>-</u>	<u>335</u>	<u>447</u>
Total 2023	<u>352</u>	<u>95</u>	<u>447</u>	

7. Investment income

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Interest from short term deposits	40	-	-	40	4
Endowment dividends and interest	-	-	39	39	34
Pension income	-	230	-	230	-
	<u>40</u>	<u>230</u>	<u>39</u>	<u>309</u>	<u>38</u>
Total 2023	<u>4</u>	<u>-</u>	<u>34</u>	<u>38</u>	

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

8. Expenditure

	Staff Costs 2024 £000	Premises 2024 £000	Other 2024 £000	Total 2024 £000	Total 2023 £000
Expenditure on investment management	-	-	8	8	7
Academy's educational operations:					
Direct costs	15,530	-	1,110	16,640	15,667
Allocated support costs	3,925	2,079	1,619	7,623	6,167
	<u>19,455</u>	<u>2,079</u>	<u>2,737</u>	<u>24,271</u>	<u>21,841</u>
Total 2023	<u>17,211</u>	<u>2,345</u>	<u>2,285</u>	<u>21,841</u>	

In 2024, of the total expenditure, £766,000 (2023: £753,000) was to unrestricted funds, £767,000 (2023: £895,000) was to restricted fixed asset funds, £Nil (2023: £Nil) was to endowment funds and £22,730,000 (2023: £20,186,000) 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

There were total unrecoverable debts experience by the Trust of £40,153 (2023:£nil). Included in this was £40,000 in relation to the subsidiary NCEA Trading Ltd which is ceasing to trade.

There were no ex-gratia payments made during the year.

9. Analysis of expenditure by activities

	Activities undertaken directly 2024 £000	Support costs 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Academy's educational operations	<u>16,640</u>	<u>7,623</u>	<u>24,263</u>	<u>21,834</u>
Total 2023	<u>15,667</u>	<u>6,167</u>	<u>21,834</u>	

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2024 £000	Total funds 2023 £000
Staff costs	15,530	14,673
Educational supplies	828	657
Examination fees	117	109
Staff development	67	54
Educational consultancy	50	133
Staff expenses	17	7
Transport	31	34
	<u>16,640</u>	<u>15,667</u>

Analysis of support costs

	Total funds 2024 £000	Total funds 2023 £000
Staff costs	3,925	2,538
Depreciation	780	755
Technology costs	416	318
Maintenance of premises	462	407
Cleaning	122	561
Other premises costs	127	100
Energy	599	480
Rent & rates	98	85
Insurance	71	63
Operating lease rentals	82	90
Catering	482	471
Legal costs - conversion	-	15
Legal costs - other	25	58
Other costs	389	202
Governance costs	45	24
	<u>7,623</u>	<u>6,167</u>

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10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2024 £000	2023 £000
Operating lease rentals	82	90
Depreciation of tangible fixed assets	780	755
Fees paid to auditors for:		
- audit	25	20
- other services	1	2
	82	90

11. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2024 £000	2023 £000
Wages and salaries	14,306	12,542
Social security costs	1,408	1,237
Pension costs	3,099	3,040
	18,813	16,819
Agency staff costs	641	392
Staff restructuring costs	1	-
	19,455	17,211

Staff restructuring costs comprise:

	2024 £000	2023 £000
Redundancy payments	1	-
Severance payments	-	11
	1	11

Included within the operating costs of the defined benefit scheme is £10,000 (2023: £400,000) in respect of movements in the LGPS pension deficit.

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11. Staff (continued)

b. Staff numbers

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

	2024 No.	2023 No.
Teachers	180	173
Administration and support	357	295
Management	11	12
	548	480
	548	480

c. Higher paid staff

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

	2024 No.	2023 No.
In the band £60,001 - £70,000	15	7
In the band £70,001 - £80,000	4	2
In the band £80,001 - £90,000	-	2
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
In the band £110,001 - £120,000	2	-
	2	-
	2	-

d. 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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11. Staff (continued)

d. 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 £1,246,000 (2023: £1,090,000)

12. Central services

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

- Educational support 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:

	2024	2023
	£000	£000
Duke's Secondary School	187	322
Bishop's Primary School	51	95
Castle School	125	66
Warkworth Church of England Primary School	18	36
James Knott CofE Primary School	27	52
William Leech CofE Primary School	19	34
Grace Darling CofE Primary School	51	89
Thomas Bewick C of E Primary School	32	54
St Michaels CofE Primary School	15	-
Total	525	748

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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:

		2024	2023
		£000	£000
Alan Hardie, Chief Executive Officer	Remuneration	115 - 120	110 - 115
	Pension contributions paid	25 - 30	25 - 30

During the year ended 31 August 2024, expenses totalling £291 were reimbursed or paid directly to Trustees (2023: £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 2023	49,437	2,303	927	40	21	52,728
Additions	68	107	132	-	332	639
Transfers between classes	11	-	10	-	(21)	-
At 31 August 2024	<u>49,516</u>	<u>2,410</u>	<u>1,069</u>	<u>40</u>	<u>332</u>	<u>53,367</u>
Depreciation						
At 1 September 2023	5,722	2,096	688	20	-	8,526
Charge for the year	554	112	111	3	-	780
At 31 August 2024	<u>6,276</u>	<u>2,208</u>	<u>799</u>	<u>23</u>	<u>-</u>	<u>9,306</u>
Net book value						
At 31 August 2024	<u>43,240</u>	<u>202</u>	<u>270</u>	<u>17</u>	<u>332</u>	<u>44,061</u>
At 31 August 2023	<u>43,715</u>	<u>207</u>	<u>239</u>	<u>20</u>	<u>21</u>	<u>44,202</u>

16. Fixed asset investments

	Listed investments £000	Unlisted investments £000	Total £000
Cost or valuation			
At 1 September 2023	1,272	7	1,279
Additions	1,347	1	1,348
Disposals	(1,216)	-	(1,216)
At 31 August 2024	<u>1,403</u>	<u>8</u>	<u>1,411</u>
Net book value			
At 31 August 2024	<u>1,403</u>	<u>8</u>	<u>1,411</u>
At 31 August 2023	<u>1,272</u>	<u>7</u>	<u>1,279</u>

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Principal subsidiaries

The following was a subsidiary undertaking of the Trust:

Name	Company number	Registered office or principal place of business	Principal activity
NCEA Trading Ltd	13500098	Wansbeck Workspace Office, Rotary Parkway, Ashington, Northumberland, NE63 8QZ	Provision of nursery services

Class of shares	Holding	Included in consolidation
Ordinary	100%	No

The financial results of the subsidiary for the year were:

Name	Expenditure £000	Profit/(Loss)/ Surplus/ (Deficit) for the year £000
NCEA Trading Ltd	(50)	(50)

There was £nil income and £nil assets during the year.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Stocks

	2024 £000	2023 £000
Catering stocks	8	12

18. Debtors

	2024 £000	2023 £000
Trade debtors	24	77
Amounts owed by group undertakings	10	50
Other debtors	96	6
Prepayments and accrued income	613	488
VAT recoverable	76	107

NORTHUMBERLAND CHURCH OF ENGLAND ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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19. Creditors: Amounts falling due within one year

	2024 £000	2023 £000
Other loans	8	7
Trade creditors	225	273
Other taxation and social security	293	295
Other creditors	470	313
Accruals and deferred income	903	694
	1,899	1,582
	285	226
Deferred income at 1 September 2023	285	226
Resources deferred during the year	331	285
Amounts released from previous periods	(285)	(226)
	331	285

At the reporting date the Trust was holding funds received in relation to UIFSM and other local authority grants.

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

	2024 £000	2023 £000
Loan from ESFA under Condition Improvement Fund	27	35
	27	35

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
FOR THE YEAR ENDED 31 AUGUST 2024

21. Statement of funds

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Unrestricted funds						
Unrestricted funds	94	754	(766)	-	-	82
Endowment funds						
Endowment Fund	1,315	39	(8)	-	139	1,485
Restricted general funds						
General Annual Grant (GAG)	177	15,539	(15,077)	(274)	-	365
Pupil premium	-	1,548	(1,548)	-	-	-
Other DfE/ESFA grants	-	2,574	(2,574)	-	-	-
SEN	-	2,380	(2,380)	-	-	-
Other Government grants	-	1,138	(1,138)	-	-	-
Other income	-	3	(3)	-	-	-
Pension reserve	-	230	(10)	-	(220)	-
	177	23,412	(22,730)	(274)	(220)	365
Restricted fixed asset funds						
Transferred on conversion	42,693	-	(378)	-	-	42,315
DfE/ESFA capital grants	629	79	(171)	-	-	537
Capital expenditure from GAG	34	-	(39)	274	-	269
Local Authority	48	-	(27)	-	-	21
Sports England	43	-	(20)	-	-	23
CIF	133	-	(53)	-	-	80
Donations	40	-	(4)	-	-	36
Other grants	5	-	(2)	-	-	3

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

21. Statement of funds (continued)

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Endowment fund	3	-	(1)	-	-	2
Insurance claim	173	-	(17)	-	-	156
SCA	383	328	(55)	-	-	656
Diocese	25	-	-	-	-	25
	<u>44,209</u>	<u>407</u>	<u>(767)</u>	<u>274</u>	<u>-</u>	<u>44,123</u>
Total Restricted funds	<u>44,386</u>	<u>23,819</u>	<u>(23,497)</u>	<u>-</u>	<u>(220)</u>	<u>44,488</u>
Total funds	<u>45,795</u>	<u>24,612</u>	<u>(24,271)</u>	<u>-</u>	<u>(81)</u>	<u>46,055</u>

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

The General Annual Grant (GAG), along with the 16-19 core education funding, must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

The Mainstream Schools Additional Grant (included within Other DfE/ESFA Grants) is additional funding to be used for the same purposes as the GAG.

SEN funding is used to provide additional support for pupils with additional needs.

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, UIFSM, 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 29.

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 £274,000 (2023: £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 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

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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
Sports England	63	-	(20)	-	-	43
CIF	188	-	(55)	-	-	133
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>

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21. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

	2024 £000	2023 £000
Central services	402	(263)
Duke's Secondary School	6	367
Bishop's Primary School	8	472
Castle School	4	2
Warkworth Church of England Primary School	4	(85)
James Knott CofE Primary School	3	10
William Leech CofE Primary School	5	(336)
Grace Darling CofE Primary School	2	(60)
Thomas Bewick CofE Primary School	8	119
St Michaels CofE Primary School	5	45
	447	271
Total before fixed asset funds and pension reserve		
Restricted fixed asset fund	44,123	44,209
	44,570	44,480
Total	44,570	44,480

The Trust has taken advantage of its ability, under the requirements of the Academy Trust Handbook 2023, to pool its reserves. School balances have been adjusted at the year end to move reserves to the Central Services. This means that the Trust can direct resources to areas of greatest need, for example for capital or education support.

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**NOTES TO THE FINANCIAL STATEMENTS
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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 2024 £000	Total 2023 £000
Central services	250	12	26	599	887	1,155
Duke's Secondary School	5,557	1,268	324	982	8,131	7,262
Bishop's Primary School	1,716	548	70	177	2,511	2,328
Castle School	2,386	307	74	379	3,146	2,669
Warkworth Church of England Primary School	675	218	45	116	1,054	999
James Knott CofE Primary School	842	293	40	197	1,372	1,331
William Leech CofE Primary School	679	243	40	179	1,141	1,106
Grace Darling CofE Primary School	1,820	610	121	269	2,820	2,612
Thomas Bewick CofE Primary School	1,089	274	51	199	1,613	1,491
St Michaels CofE Primary School	516	152	37	111	816	133
Trust	<u>15,530</u>	<u>3,925</u>	<u>828</u>	<u>3,208</u>	<u>23,491</u>	<u>21,086</u>

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22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Endowment funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	82	-	43,979	-	44,061
Fixed asset investments	-	-	-	1,411	1,411
Current assets	8	2,248	179	74	2,509
Creditors due within one year	(8)	(1,883)	(8)	-	(1,899)
Creditors due in more than one year	-	-	(27)	-	(27)
Total	82	365	44,123	1,485	46,055

Analysis of net assets between funds - prior period

	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

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

	2024 £000	2023 £000
Net income/(expenditure) for the period (as per Statement of Financial Activities)	480	(587)
Adjustments for:		
Depreciation	780	755
Capital grants from DfE and other capital income	407	557
Defined benefit pension scheme cost less contributions payable	(220)	440
Decrease/(increase) in stocks	4	(2)
Increase in debtors	(91)	(114)
Increase/(decrease) in creditors	316	(179)
(Gains)/Loss on fixed asset investments	(139)	21
Net cash provided by operating activities	1,537	891

24. Cash flows from financing activities

	2024 £000	2023 £000
Repayments of borrowing	(7)	(7)
Net cash used in financing activities	(7)	(7)

25. Cash flows from investing activities

	2024 £000	2023 £000
Purchase of tangible fixed assets	(639)	(358)
Purchase of investments	(1,348)	(343)
Proceeds from the sale of investments	1,355	363
Capital grants from DfE Group	(407)	(557)
Net cash used in investing activities	(1,039)	(895)

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26. Analysis of cash and cash equivalents

	2024 £000	2023 £000
Cash in hand and at bank	1,682	1,191
Total cash and cash equivalents	1,682	1,191

27. Analysis of changes in net debt

	At 1 September 2023 £000	Cash flows £000	At 31 August 2024 £000
Cash at bank and in hand	1,191	491	1,682
Debt due within 1 year	(7)	(1)	(8)
Debt due after 1 year	(35)	8	(27)
	1,149	498	1,647

28. Capital commitments

	2024 £000	2023 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	90	-
	90	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

29. 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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £368,000 were payable to the schemes at 31 August 2024 (2023 - £308,000) 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 scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the year amounted to £2,042,000 (2023 - £1,754,000).

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 is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Trust has taken advantage of the exemption in FRS 102 and 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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29. 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 2024 was £1,407,000 (2023 - £1,210,000), of which employer's contributions totalled £1,047,000 (2023 - £900,000) and employees' contributions totalled £360,000 (2023 - £310,000). The agreed contribution rates for future years are 17.3% 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

The original Local Government Pension scheme valuation showed an asset of £4,430,000 (2023: £3,930,000). 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 an asset ceiling valuation has been undertaken. Based on minimum funding requirements for contributions relating to future service this showed a potential asset of £Nil. Given this value 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 Trustees have decided to include the pension asset at £Nil.

Principal actuarial assumptions

	2024	2023
	%	%
Rate of increase in salaries	4.00	4.10
Rate of increase for pensions in payment/inflation	2.50	2.60
Discount rate for scheme liabilities	4.90	5.10
Inflation assumption (CPI)	2.50	2.60
Commutation of pensions to lump sums	75.00	75.00
	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:

	2024	2023
	Years	Years
Retiring today		
Males	20.8	21.0
Females	24.0	24.1
Retiring in 20 years		
Males	21.7	22.2
Females	25.1	25.5
	25.1	25.5

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29. Pension commitments (continued)

Sensitivity analysis

	2024 £000	2023 £000
Discount rate +0.1%	(520)	(450)
Discount rate -0.1%	520	450
Mortality assumption - 1 year increase	(650)	(570)
Mortality assumption - 1 year decrease	650	570
CPI rate +0.1%	440	400
CPI rate -0.1%	(440)	(380)
	(520)	(380)

Share of scheme assets

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

	At 31 August 2024 £000	At 31 August 2023 £000
Equities	15,150	14,240
Government bonds	360	360
Corporate bonds	5,630	5,230
Property	3,150	2,850
Cash	240	470
Multi Asset Credit	1,360	1,270
Other	4,350	3,240
	30,240	27,660

The actual return on scheme assets was £2,020,000 (2023 - £600,000).

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

	2024 £000	2023 £000
Current service cost	(980)	(1,300)
Interest income	1,430	1,080
Interest cost	(1,200)	(1,080)
	(750)	(1,300)

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29. Pension commitments (continued)

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

	2024 £000	2023 £000
At 1 September	27,660	26,450
Transferred in on existing academies joining the trust	-	410
Current service cost	980	1,300
Interest cost	1,200	1,080
Employee contributions	360	310
Actuarial losses/(gains)	310	(5,360)
Benefits paid	(770)	(460)
Asset ceiling restriction	500	3,930
At 31 August	<u>30,240</u>	<u>27,660</u>

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

	2024 £000	2023 £000
At 1 September	27,660	25,940
Transferred in on existing academies joining the trust	-	370
Interest income	1,430	1,080
Actuarial gains/(losses)	590	(480)
Employer contributions	970	900
Employee contributions	360	310
Benefits paid	(770)	(460)
At 31 August	<u>30,240</u>	<u>27,660</u>

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30. Operating lease commitments

At 31 August 2024 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £000	2023 £000
Not later than 1 year	88	67
Later than 1 year and not later than 5 years	292	240
Later than 5 years	-	58
	<u>380</u>	<u>365</u>

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.

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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. The following related party transactions took place in the financial period.

Expenditure related transactions

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.

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 £14,000 (2023: £7,000) 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 £11,000 (2023: £25,000). There were no amounts outstanding at 31 August 2024 (2023: £nil).

- In entering into the transaction the academy Trust has complied with the requirements of the Academy Trust Handbook 2023.

J Hodson, a child of A Hodson, a Trustee, is employed by the Trust as a teacher. J Hodson's appointment was made in open competition and A Hodson was not involved in the decision-making process regarding appointment. J Hodson is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a Trustee.

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 Hardaway charged the Trust £12,000 (2023: £31,000) for these services. Included within trade creditors is an amount of £1,000 (2023: £1,000) owed to Ward Hadaway.
- Per the Academy Trust Handbook 2023 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 £38,000 (2023: £28,000) were purchased and rental income of £7,000 (2023: £6,000) was received from the above.

J Marshall had no involvement in transactions set out above.

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33. Agency arrangements

The Trust distributed 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2024, the Trust received £29,000 (2023: £22,000) and disbursed £20,000 (2023: £20,000) from the fund. An amount of £11,000 (2023: £2,000) is included in other creditors relating to undistributed funds that is repayable to ESFA if it remains unused.

