

NORTH EAST LEARNING TRUST
(a company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 August 2024

**NORTH EAST LEARNING TRUST
FINANCIAL STATEMENTS
Year ended 31 August 2024**

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NORTH EAST LEARNING TRUST
TRUSTEES' REPORT
Year ended 31 August 2024

Members

Mrs D Nicholson
Mrs M Saxton
Mrs B Waugh
Mr Ash Patel
MR D Gibson

Trustees

Mrs L Powell CBE- CEO and Accounting Officer
Mrs M Saxton – OBE and Chair
Mrs S McDonnell
Mrs S Mason BEM
Mrs A Moon
Mrs S Duncan
Major (retd) J Bartlett
Mrs J Cook
Mr B Stephenson

Accounting Officer

Mrs Lesley Powell CBE

Company Secretary

Mr Lee Alexander

Senior Management Team

Chief Executive Officer (CEO)
Deputy CEO
Head of Financial Services
Head of Human Resources
Director of Quality Assurance
Executive Headteacher – Primary
Executive Headteacher - Secondary

Mrs Lesley Powell CBE
Ms Toni Spoons
Mr Lee Alexander
Mrs Deborah Piggett
Mrs Marie Redshaw
Mrs Annalei Bartlett
Miss Alex Hook

Principal and Registered Office

North East Learning Trust
Passfield Way
Peterlee
Co Durham
SR8 1AU

Company Registration Number

07492165

Independent Auditor

RSM UK Audit LLP
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Lloyds
PO Box 1000
Andover
BX1 1LT

Solicitors

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

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2024. The annual report serves the purposes of both a trustees' report, a strategic report and directors' report under company law.

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The Trust currently operates five primary and eight secondary academies across the North East of England. The Trust also co-sponsors a SEMH AP school. Trust academies have a combined total of 8,475 on roll as per the October 2023 census (2022: 7,301). The Trust continues to work with other schools and Trusts that are interested in joining the Trust in 2025.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The governors act as trustees for charitable activities of North East Learning Trust (NELT) are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is now known as North East Learning Trust. North East Learning Trust is a multi-academy trust consisting of The Academy at Shotton Hall, Browney Primary Academy, Teesdale Academy, Easington Academy, Sacriston Academy, Diamond Hall Junior Academy, Ashington Academy, Bedlington Academy, Hermitage Academy, Rye Hills Academy, Meadowdale Academy, Middleton-in-Teesdale Academy and Biddick Academy.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

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

Companies Act 2006 s236 requires disclosure concerning qualifying third-party indemnity provisions. As required in the Academy's Articles of Association indemnity insurance with Zurich has been taken out to cover the liability of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Trustees.

Method of recruitment and appointment or election of trustees

The Members of the Trust comprise the three signatories to the Memorandum and any person appointed under article 15A, provided that at any time the minimum number of members shall not be less than 3.

Details of the members and trustees of the board are shown in the Reference and Administration details. The members may appoint by ordinary resolution up to eight Trustees and the Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The total number of Trustees including the Chief Executive Officer who are employees of the Academy Trust shall not exceed one third of the total number of Trustees. The quorum for meetings of the Trustees will be three voting Trustees and the term of office for all Trustees will be four years, save that this time limit shall not apply to any post which is held ex-officio.

The Secretary of State may appoint such Additional Trustees as he thinks fit under Article 62, 62A, 62C or 68A. The Chairs of the Trustees will be elected at the first meeting of the academic year and must be ratified by members prior to taking up the position.

Policies and procedures adopted for the induction and training of governors

The Trust is fully committed to the development of effective governance and provides termly training to assist Trustees and Governors in undertaking their role. A regular skills audit is carried out which informs the training and enables the trust to ensure that Trustees and LAC Governors have the necessary skills and experience to carry out their governance roles. Trustees and Governors are provided with regular statutory updates and have access to Educare training modules and Governor Hub to assist in their continuous professional development.

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Organisational Structure

The management structure consists of five levels; the Member, The Board of Trustees, the Local Academy Councils, Executive Board of senior management and phase specific strategy groups.

Members				
<i>Subscribing to the memorandum of association, Approving and amending the Articles, appointment of New Member, appointment and removal of Trustees and Trustees</i>				
Trust Board				
<i>Vision, ethos and strategic direction, risk, financial oversight and policy. Appointment of Trustees, CEO, Deputy CEO and CFO.</i>				
Trust Board Committees				
Audit and Risk Committee			Main Board	
Behaviour & Attitudes	SEND/Equalities	Curriculum	Pastoral	Health and Safety
Local Academy Council (LAC)				
Pupil Discipline			Complaints	
Executive Board				
<i>Executive board management team have delegated responsibility from the Trust Board and CEO. Operational responsibility delegated to Executive Board Sub-Committees.</i>				
Executive Board Sub Committees				
Finance & CLFP	Outcomes	Estates	SEND	
Headteacher Briefing	Human Resources	H&S	Information Technology	
NELT Institute	Sixth Form	Early Years	Primary Headteacher's	
Administration	Communications	Catering	Primary and Secondary Curriculum	
Pastoral	Governance and compliance	Risk	Secondary Headteacher's	

The Board of Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of performance figures, budgets and making strategic decisions regarding Trust development, capital expenditure and senior staff appointments.

The day-to-day operations of the Trust are delegated to the Chief Executive Officer (Accounting Officer) and Executive Board of senior management. The Trustees are responsible for the performance of each Academy within the Multi Academy Trust (MAT) however, a range of responsibilities may be delegated to Local Academy Councils (LAC). Local Academy Council's act as advisory body to the Board of Trustees, in respect of individual schools. The LAC fulfils its role through council meetings and school engagement visits to fulfil their responsibilities. All minutes are shared with Trustees to ensure effective oversight of school activities.

Trust Management Structure

Trust Board - Trustees

Terms of Reference

- Delivering the charitable objectives of the Trust.
- Leadership of the organisation and managing the charitable assets.
- Ensuring compliance with the Trust's duties under company law and charity law and agreements made with the DFE including the funding agreement.
- The determination and educational character and mission of the Trust.
- Ensuring the solvency of the Trust company and charity and safeguarding its assets and delivering its charitable outcomes.
- Ensuring the continued charitable status of the Trust.
- Setting key strategic objectives and targets and reviewing performance against these.
- Entering all contracts on behalf of the Trust.
- The approval of annual estimates of income and expenditure for the Trust at the beginning of the academic year.
- To authorise income and expenditure in line with the Scheme of Delegation.
- The appointment or dismissal of the CEO, Deputy CEO, Executive Principal, Principal and Finance Director. In the case of Principals representatives of the Local Academy Council may be involved.
- Intervening as appropriate in any Academy at risk of underperformance.

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- Determination of the establishment, constitution, membership, proceedings and delegated powers and functions of the Local Academy Council and committees and their annual review and revision.

Audit and Risk Committee

North East Learning Trust - Trustees

Terms of Reference

- Obtain appropriate external legal and other professional advice to fulfil its responsibility to the Trustees.
- Investigate on behalf of the Trustees anything that threatens or adversely affects the accomplishment of the charity's aims and objectives, its assets, the reliability of all records and information, and its compliance with all relevant laws, regulations, policies, and its governing instruments.
- Obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference.

North East Learning Trust – Local Academy Council (LAC)

The levels of delegation are stipulated within the scheme of delegation available on the Trust website.

Where a school/Academy joins the MAT with an existing Interim Executive Board (IEB) this will continue as an Interim Academy Board (IAB). The Trustees and Executive Board will be responsible for determining the members of the IAB. A LAC will be formed at a time determined by the Trustees.

Where an Academy is deemed to be at risk of failing its pupils/students, the Trust will exercise the right to reconstitute the LAC and appoint the majority of its members to ensure that the identified weaknesses can be effectively addressed.

Arrangements for setting pay and remuneration of key management personnel

The Trustees have ultimate authority for setting pay and remuneration for all staff including key management personnel. No Trustee receives any pay or remuneration for discharging their duties as an officer to the company and therefore key management personnel consists of the Chief Executive Officer (CEO), Deputy CEO, Heads of School and Business Support Services team.

The Trust follows the arrangements for pay and remuneration as set out in the School Teachers' pay and conditions document. This document forms the basis of our whole Trust pay policy which is supported by our performance review and appraisal policy. The scrutiny of setting the pay and remuneration for the key management personnel follows a robust formalised process.

Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the period (April 2023 to March 2024)	Full-time equivalent employee number
9	8.4

Percentage of time spent on facility

Percentage of time	Number of employees
0%	5
1%-50%	4
51%-99%	0
100%	0

Total pay bill and facility time costs

Total cost of facility time	£30,718
Total pay bill	£44,477k
Percentage of pay bill spent on facility time	0.09%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours	0.0%
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Related parties and other connected parties and organisations

The Trust does not work in federation with any other organisation. However, informal relationships with local schools, universities, Teaching School Hub alliance schools and businesses exist where these partnerships assist in the achievement of Trust objectives.

The Trust is working in partnership with East Durham College as joint sponsors of the Apollo Schools Trust, a separate entity that does not form part of the North East Learning Trust.

North East Learning Trust Engagement with employees (including disabled persons)

NELT recognises the importance of timely communication with all employees. From a strategic perspective the Executive Board meets on a weekly basis and key information is then communicated via a weekly meeting with all Heads to ensure key information cascades through weekly school briefings. The Executive Board holds a series of sub- group meetings that cover every aspect of business ensuring that strategic plan objectives run through all that we do, and that staff are kept informed about key developments that impact their day-to-day activity. At the end of every term the CEO writes to every member of staff and updates them on progress as well as taking the opportunity to thank them for their hard work during the period.

Full staff briefings take place every half term highlighting new and emerging information and setting the scene for the period. At each school there is a weekly meeting cycle that includes Senior Leadership Team, Heads of Department and most schools issue a weekly bulletin. At a Trust level senior leads from across the range of school activities meet to engage with one another and share best practice.

All staff are kept informed of our progress against targets, CPD takes place on a regular basis and feedback is provided on quality and standards. All schools carry out a regular PULSE staff survey which is operated independently by an external agent. The survey allows open and ongoing feedback and communication about a wide range of wellbeing issues that impact employees.

NELT has a Trade Union recognition agreement and has positive and pro-active relationships with all recognised trade unions. Whilst on a formal basis a termly Joint Consultative Committee (JCC) takes place, chaired by the Director of Human Resources, there is regular more informal contact which allows any issues to be addressed in a timely manner. All human resources policies and procedures are consulted upon through the JCC framework. A comprehensive suite of HR Policies and Procedures is reviewed on an annual basis to ensure that they remain compliant with all employment legislation and best practice.

The Recruitment and Selection policy sets out how the Trust ensures that all activity is in line with the Equality Act and KCSIE and all recruiting panels must have at least one member of staff who has completed Safer Recruitment Training.

Recognising the pressures felt by all staff for a variety of reasons there is a Health and Wellbeing policy which incorporates a Workload Charter which addresses the key issue of workload. Employee Wellbeing Days were introduced for staff in September 2023, which entitles staff to up to one day paid leave to focus on their mental health and physical wellbeing. This benefit has been positively received by staff and trade unions. All staff have access to an Employee Assistance Programme which is available 24/7. The programme, also available via an App provides a full range of support for employees and their immediate family, as well as providing a comprehensive list of health and wellbeing activities to help employees with both their physical and mental health. This facility has proved particularly useful during the cost-of-living crisis and the impact this has on families. In addition, a lifestyle benefits scheme has been introduced offering savings across a wide range of everyday services.

Staff with disabilities and underlying health conditions are supported and any member of staff who requires reasonable adjustments to remain in work is treated sensitively and compassionately. Staff are supported both locally and by the Trust's HR and Health & Safety Manager to ensure staff can remain and be supported in work.

The HR Team lead on the management of all people matters across the Trust and this enables a fair and consistent approach.

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

The Trust continues to develop strong and sustainable relationships with both our preferred and approved suppliers to improve the overall quality of supply and services from our suppliers. This engagement has been maintained throughout the year in the form of communications and letters outlining the trust position on procurement rules, supply, local school information, new initiatives and key changes to policy or systems.

The students are at the centre of our culture and our engagement with children, families and agencies that support the education of our students is at the forefront of our daily operations, to ensure Every Child Experiences Excellence Every Day. Academies are

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transparent and continually collaborate with parents and guardians to monitor student progress and feedback which is essential to each school's improvement strategy. The Trustees receive regular reporting on student progress, outcomes and student related strategic initiatives throughout the year. The Trustees closely monitor the metrics and engage with the Executive board to understand performance levels. This is also reflected at the relevant Local Academy Council level.

The Trust recognised the key importance of supplier engagement to aid the procurement process and has continued to invest in systems, and resources utilising frameworks and networking groups to improve procurement management.

The Trust continued to work with suppliers and review procurement procedures to refine and develop supply chains and preferred supplier relationships. To support suppliers, the Trust ensures prompt payment in accordance with agreed payment terms. The Trust has many commercial stakeholders including sporting community groups, hire/lettings customers and North East SCITT / NiOT customers.

As part of the work of the NELT Institute and engagement with Opportunity North East, the Trust remains heavily engaged with school improvement and development throughout the North East and beyond, supporting individuals, MATs and schools, which is key to the further development of educational standards in the region as we deliver our wider responsibilities as system leaders.

Objectives and activities

Objects and aims

The principal objective and activity of the charitable trust is the furtherance of Education in the North East of England, specifically establishing, developing, maintaining and managing its academies, offering broad provision from Early years through to Sixth form. The Trust's object ("the Object") is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. The Academy Trust shall ensure that the broad and balanced curriculum includes English, Mathematics and Science and shall make provision for the teaching of religious education. The Academy Trust shall ensure that the Trust complies with any guidance issued by the Secretary of State from time to time to ensure that pupils take part in assessments and in teacher assessments of pupils' performance as they apply to maintained schools. In respect of all key stages the Academy Trust will submit the Trust to monitoring and moderation of its assessment arrangements as prescribed by the Secretary of State.

Objectives, strategies and activities

The vision of the North East Learning Trust is that every child experiences excellence every day. The Trust is founded on deeply held principles that every child has the right to an excellent education and all Academies within the Trust are committed to:

- Pursuing excellence
- Encouraging all young people to aim high and make the most of their talents
- Providing an education that enables every young person to achieve their full potential and learn with confidence
- Providing a safe environment where young people are cared for
- Creating a healthy, happy, well-disciplined and supportive environment which promotes an independent work ethic and a love of learning
- Engendering respect for individuality and difference
- Nurturing a sense of social responsibility and spiritual and personal development
- Fostering integrity, resilience, creativity, good manners and sensitivity to the needs of others.

The Trust seven strategic objectives is now fully embedded, promoting the Trusts vision and ethos, underpinning the trusts overarching strategy, development and improvement plans at all levels.

One Trust, One Vision

Where every child experiences excellence everyday

Governance and Leadership

The Trust will have highly effective, knowledgeable, and skilled leaders in place to deliver the Trust's vision. They will exemplify the Nolan Principles of Public Life and outstanding governance.

Resource Management

Highly efficient financial management of resources will enable the delivery of high-quality education, school improvement, value for money and enterprise.

Assurance and Compliance

Robust independent and internal scrutiny ensures risk management, continuous improvement, high levels of assurance and operational readiness and compliance.

Environment and Facilities

We will continue to create outstanding, safe and sustainable working and learning environments that support students and staff to reach their full potential. We will seek to further reduce our environmental impact.

Our people

Our people are the most important part of our Trust's success. We are committed to NELT being a great place to work. We will embrace new opportunities and further develop our culture of improvement and innovation in all that we do.

High Quality and Inclusive Education

We will evaluate and improve our curriculum offer to meet individual needs, enabling the Trust vision of 'Every Child Experiencing Excellence Everyday'.

Strategic Improvement

Our 'one trust' approach to strategic improvement is forged from robust self-evaluation. Our evidence-based approach to growth ensures Trust sustainability alongside the furtherance of education.

The Trustees are responsible for the overall strategy and the Executive board are accountable for the delivery of the seven overarching strategic objectives, which are fully embedded top down, in all strategic and operational planning, providing full clarity of the trust's strategic direction.

Our Trust covers multiple local authority areas, teaches children from ages 3 to 18 and supports schools in extremely difficult and challenging circumstances – each of these aspects brings with them their own unique challenges. Despite these challenges, we continue to see the huge impact of the wide reaching and rapid school improvements that our Trust model brings about. However, we remain clear sighted as to the challenges that lie ahead as we grow.

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Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data	2023/24	2022/23
Energy consumption used to calculate emissions (kWh)	7,889,950	8,811,032
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	1,027.14	1,123.21
Fuel oil	2.19	-
Owned transport – mini-buses	72.64	95.46
Total Scope 1	1,101.97	1,218.67
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	1,207.14	612.34
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	29.82	21.28
Total gross emissions in metric tonnes CO2e	2,158.92	1,852.29
Intensity ratio Tonnes CO2e per pupil	0.30	0.26

The Trust have adopted the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2024 UK Government’s Conversion Factors for Company Reporting. The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector. During the year energy management usage reviews have been undertaken to monitor and control costs and emission. This review has considered all plant, systems and school operating times to ensure sites are managed as effectively as possible. All system renewals consider environmental impact assessment to minimise waste, reduce carbon, whilst ensuring economic and sustainable replacement strategies are adopted. The Trust continues to utilise technology to reduce vehicle usage and minimise travel between sites, in addition the Trust continues to operate photovoltaic panels and biomass installations to minimise our carbon footprint where possible. The trust has introduced and continued to champion carbon reduction, climate change initiatives trust wide from both an operational and school centric initiatives.

Public Benefit

We have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing our Aims and Objectives and in planning our future activities. The Trust has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role. The Teaching School Hub also contributes to the next generation of teachers, which has created greater opportunity for adults training in the North East of England. Our schools continue to support learning in the community by helping parents to support their child’s learning and development.

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STRATEGIC REPORT

The main objectives and performance of the Trust during the year ended 31st August 2024 are summarised in the following table.

Objective	Performance
High Quality and Inclusive Education	<ul style="list-style-type: none"> a) Primaries <ul style="list-style-type: none"> • Positive outcomes achieved in 2024 • Successful implementation of EASI for all Trust primary schools b) Secondaries <ul style="list-style-type: none"> • Successful Ofsted inspection outcomes at Hermitage, Rye Hills and Shotton Hall. • Outcomes in 2024 at KS4 and KS5 were exceptionally pleasing, we saw significant progress in all of our schools within the Trust. Key indicators across the Trust were above national averages in all key areas and above LA averages within the region. • Continued development and sharing of a world class, evidence based, knowledge rich curriculum. c) Sixth Form <ul style="list-style-type: none"> • Increased sharing of resources across all sixth forms and alignment of specifications where possible d) Ongoing evaluation of the professional development offer across all schools to strengthen a Trust best practice offer for both Primary and Secondary schools.
Assurance and Compliance	<ul style="list-style-type: none"> • Governance and financial management have been strengthened further, through continued professional development and training. • Quality Assurance trust wide has been further developed. • Safeguarding audits completed demonstrating the strength of safeguarding, SEND provision and the personal development curriculum across the Trust • Parity of KCSIE education updates –ensuring dissemination is compliant with DFE priorities – delivered in every Academy. • Trust wide implementation of Filtering and Monitoring guidance updates and improvements to related It systems/protocols. • Improvement to DfE grant documentation process and successful audit outcomes achieved. • VAT registration compliance
Resource Management	<ul style="list-style-type: none"> • A culture of well-being is evident throughout NELT for staff and students alike. • Schools and our students have reaped the benefits of our strong covid offer throughout the pandemic and have ensured that barriers have been removed and success achieved. • Further utilisation of DfE procurement framework to minimise exposure to inflationary risk and reduce energy costs. • Further alignment of Trust and school development and improvement plans with operational resources. • Continuous budget scrutiny and curriculum planning forecasts to support decisions making. • Integrated curriculum financial planning model has been developed ready to support January 2025 budget process.
Governance and leadership	<ul style="list-style-type: none"> • All professionals within the Trust are supported by the NELT Institute to ensure clear career pathways, leadership development programmes and evidence informed practice. • Establishment of new leadership structures have increased efficiency to day-to-day operations, creating capacity and supporting further growth opportunities. • Successful implementation of Executive Board strategic plan, monitoring and review. • Completion of Governor training for primary and secondary curriculum, SEND, behaviour and attitudes, careers, sixth form, effective support and challenge and Safeguarding. • Further establishment of 'Trust Musts' to ensure Trust wide consistent practice
Our People	<ul style="list-style-type: none"> • The central services team has continued to develop to meet increasing needs and further improve efficient working practice to support all staff. • Trust level School Improvement teams continue to expand and develop, reflecting the growing size of the Trust. • The NELT wellbeing day has proven successful, with all staff supporting the initiative. • Improvement to School recruitment packs

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Strategic Improvement	<ul style="list-style-type: none"> • We have continued to develop our ITT offer to ensure there is a pipeline of high-quality new entrants to the Trust and wider schools' community. • We have continued to utilise our dual roles as a Teaching School Hub and Research School to assist other schools and Trusts on their school improvement journey utilising evidence informed approaches. • The Teaching School, SCITT (NiOT) and Research School continue to impact positively. • Continued development of in-house bespoke MIS systems and promotion of office 365 application to improve access to information and streamline reporting and data capture processes. • Strategic growth including 1 primary convertor, 1 secondary academy transfer and 3 additional academy orders for future transfer to NELT. • Establishment of Primary Power BI reporting and metrics and further refinements of the use of PowerBi resulting in rich data analysis. • Establishment of analytical tools to support behaviour, progress and staff deployment.
Environment and Facilities	<ul style="list-style-type: none"> • We are continuing to innovate and develop our in-house IT Infrastructure to better meet the needs of schools in a fiscally responsible manner. • A full review IT technology, devices and infrastructure has been undertaken to inform the future IT strategy and future lifecycle needs. • Development of waste management strategy.

Using the collective strength and resources of the Trust and our wider role regionally as a Research School, Teaching School Hub and Initial Teacher Training we will continue to share our evidence-based school improvement skills both inside and outside of the Trust. Building on our successful work with over 400 schools regionally, we will grow our capacity to support others. We will constantly refine our offer in line with the latest research to provide an ever evolving and trusted regional resource for school-led professional learning and development across the North East.

North East SCITT (NiOT)

The SCITT, rated as Outstanding by Ofsted in 2015, continues to be a success. Outcomes remain strong for the 2023/24 cohort. Of the 38 trainees that were recommended for QTS in June 2024, 100% were successfully awarded and passed. The vast majority of trainees have also gone on to secure employment despite a very challenging labour market for primary trainees.

NELT is now the designated Associate College for the North for the National Institute of Teaching (NIOT), the DfE national flagship organisation for teacher development. During the academic year 2023-24, the SCITT successfully completed its first year of partnership with the NIOT as the awarding body of QTS to NE SCITT trainees. The ITT programme follows a national delivery model, but with regional personalisation opportunities to suit the needs of NE SCITT trainees and the needs of schools in the NE region, which we know so well.

NELT Institute

The role of the Teaching School Hub has been integral to the development and advancement of the Institute. We are currently a delivery partner for both the NIOT and Teach First, delivering the Early Career Framework to 344 Early Career Teachers across the region. The quality of delivery has been very strong, and we have plans in place to secure further strengthen delivery and scale it up in the coming year. The Hub has offered six National Professional Qualifications to schools across the region, including the new Leading Primary Maths. We remain a delivery partner with both Teach First and NIOT. Recruitment for the NPQs in Senior Leadership, Leading Literacy and Leading Teacher Development have been the most positive. We had a total of 124 NPQ participants complete the programmes last academic year.

As a Hub, we will also continue to act as an Appropriate Body to provide this service to schools in the region and to confirm the fidelity of ECT support and provision in schools. We currently have 237 ECTs who we are working with in this capacity this year, compared to 157 last year. We are a delivery partner with both Teach First and NIOT In our Teaching School Hub capacity, but we now have sole responsibility for acting as Appropriate Body for the Durham region. In addition, we have been successful again in securing the DfE tender for delivering online subject knowledge enhancement courses for a wide variety of subjects. The delivery of these programmes has been particularly successful with 25 participants enrolling on SKE programmes last academic year.

As a Teaching School Hub, we submitted a bid in October 2023 for re-designation process and we delighted to find out that we were successful in this tendering process. We remain designated as the Teaching School Hub for County Durham until 2028.

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2023-2024 was an incredibly busy year for the Research School, including the mobilisation of a range of regional projects. The first year of evaluating the Shine 'Fluency for All' reading programme has yielded incredibly positive results over six schools, generating some significant improvements in pupils' reading scores. The same programme (a peer tutoring reading intervention) was also commented on favourably in Trust Ofsted reports during the academic year 2023-2024. As well as testing the impact of the programme, the focus has been on fully resourcing it as a 'full package' that will not only benefit our Trust schools, but yield income commercially from 2026-2027 onwards. This package includes assessments, training, carefully curated reading anthologies and a dedicated website. The programme will be rolled out to a further eight schools in the academic year 2024-2025. Shine have held our work up as the 'gold standard' for impact and evaluation work going forwards, asking us to speak at events and much publicising our work.

In addition, the EEF Early Pipeline Project 'Annotation to Argument', subsidised by a £20,000 grant, was led successfully in six schools regionally, meeting all KPIs and with excellent feedback from participants, as well as the EEF. The programme focused on cognitive science, specifically KS3 English and poetry based to develop teacher cognitive science knowledge and application in the classroom. Each school received £3,000 remuneration for working with us.

The Research School successfully secured two large scale reading projects with the DfE in the academic year 2022/23. 2023/24 has involved staff working with 39 primary schools across Middlesbrough and Hartlepool and all secondary schools in Hartlepool. Both projects have had an excellent first year. The primary project has involved staff providing bespoke support for participating schools to develop their own evidence-informed reading routine, considering pedagogy, professional development for staff and ambitious texts. The secondary project has focused on reading interventions, informed by insightful use of pupil data. The DfE, as well as their Middlesbrough and Hartlepool Investment Boards, have been delighted with the work.

Finally, the Research School secured work with a new partner, North East Combined Authority in 2023-2024. NECA have commissioned work in excess of £200,000 for the academic year 2024-2025. This project will involve designing an evidence-informed teaching assistant-led reading fluency intervention to. This intervention package will be trialled and evaluated in 24 schools across the Northumberland, Newcastle, Gateshead, Durham, Sunderland and North Tyneside areas. We anticipate that this work will not only create a high-quality programme to be used in NELT schools but will also further increase our regional reach.

Resource Management

During the year every school has benefited from further investment in facilities and technology utilising DfE School Condition Allocation and Devolved Formula Capital funding ensuring all schools compliance needs, lifecycle and facility/technology enhancements needs are met, to maintain an excellent learning environment for both students and staff.

Our people

The NELT in-house leadership development programme is in operation. There are 9 senior leaders on the NELT headteacher development course, 18 middle leaders on the NELT SLT development course and 20 teachers on the NELT middle leaders' development course. Early evaluation is indicating that staff are enjoying and benefitting from the course. This is ensuring we have succession planning in place as the course equips those attending to take up promoted posts in any NELT school.

Achievements and Performance KPI's

Every school that has joined us in a category of concern has improved by 2 grades at their next inspection. All other schools are good or better. MIT and Biddick are yet to be inspected as part of the Trust. The Trust continues to go from strength to strength following 3 very successful Ofsted outcomes, as follows:

Hermitage Academy improved their Ofsted grade, from inadequate to Good (12 March 2024), in all areas:

Highlights from the inspection report include:

- There have been significant improvements at this school
- The curriculum is well designed and delivered effectively
- Enrichment activities help to develop pupils' character and social skills. Pupils have many opportunities to contribute to the life of the school
- Pupils are making demonstrable progress in their reading skills
- Leaders are ambitious that all pupils will be successful
- Pupils discuss fundamental British values and protected characteristics confidently

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Rye Hills Academy improved their Ofsted grade, from inadequate to Good (14th May 2024), in all areas:

- Due to highly effective leadership, Rye Hills Academy has transformed in recent years. Leaders have very high expectations for pupils.
- Pupils receive an education that is stimulating, ambitious and enriched by a wide range of opportunities
- Pupils are successful
- Pupils behave very well in school. Lessons are calm and purposeful
- There is a strong culture of rewarding pupils and recognising their achievements
- Pupils appreciate having a voice in school and feel like they are making a difference
- Teachers have received high-quality training. As a result, the curriculum is implemented consistently well
- Leaders have an accurate understanding of the school's strengths and priorities. Teachers experience a great deal of satisfaction working at the school

The Academy at Shotton Hall maintained their Outstanding grade (9th July 2024), in all areas:

- Pupils appreciate the exceptional education they receive at The Academy at Shotton Hall
- Pupils strive to meet the school's high expectations in all aspects of school life. They flourish in this happy, safe and successful school
- Pupils are highly motivated to engage in precisely planned lessons. This enables them to become skilled in the subject
- Pupils and staff have a relentless focus on academic achievement. This is possible due to the impeccable behaviour throughout the school
- The quality of education at the school has been impressive over time
- Provision to support pupils' reading is a significant strength of the school
- Pupils' exemplary behaviour underpins the strong curriculum. Around school, they display high levels of self-control
- The school provides extensive opportunities to educate pupils beyond the academic curriculum
- Leaders and governors unite in their commitment to providing an exceptional education

Academy (age range)	Join Date	Ofsted grade at join date	Previous Ofsted Grade	Latest Ofsted Grade
Ashington Academy (11-18)	12/11/2017	Inadequate	Inadequate	Good
Bedlington Academy (11-18)	01/04/2018	Inadequate	Inadequate	Good
Browney Academy (4-11)	01/03/2014	Good	Good	Good
Diamond Hall Junior Academy (7-11)	01/10/2017	Good	Good	Good
Easington Academy (11-16)	01/03/2017	Good	Good	Good
Sacriston Academy (3-11)	01/09/2017	Inadequate	Inadequate	Good
The Academy at Shotton Hall (11-16)	Lead School	Outstanding	Outstanding	Outstanding
Teesdale Academy (11-18)	01/09/2016	Requires Improvement	Requires Improvement	Outstanding
Hermitage Academy (11-18)	01/09/2019	Inadequate	Inadequate	Good
Rye Hills Academy (11-16)	01/06/2021	Inadequate	Inadequate	Good
Meadowdale Academy (2-11)	01/06/2022	Good	Good	Good
Middleton-In-Teesdale Academy (4-11)	01/04/2024	Inadequate	Not yet inspected	Not yet inspected
Biddick Academy (11-16)	01/07/2024	Good	Requires Improvement	Good

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Significant development and improvement for all academies has continued and has been the main priority throughout this year. Individual published school performance data and Trust aggregated data (*including schools within the Trust for 3 years or more) is as follows:

KS2 PRIMARY & EARLY YEARS

		Browney	Diamond Hall	Meadowdale	Middleton	Sacriston	Trust Average	NATIONAL			
								2024	2023	2022	
EYFS: GLD	% GLD:	67	-	62	57	63	62	68	67	65	
Year 1 Phonics:	% Pass	89	-	96	80	86	88	80	79	75	
KS1 TA:	Reading	EXS+:	73	-	60	71	48	63	n/a	68	67
		GDS:	20	-	7	28	11	17	n/a	19	18
	Writing	EXS+:	70	-	33	71	41	54	n/a	60	58
		GDS:	7	-	7	0	4	5	n/a	8	8
	Maths	EXS+:	73	-	57	71	48	62	n/a	70	68
		GDS:	13	-	0	14	7	9	n/a	16	15
Y4 MTTC	25/25	62	38	19	71	45	19	29	34	29	
KS2:	Reading	EXS+:	89	71	68	64	74	74	74	73	75
		HS:	54	18	19	14	26	26	28	29	28
	Writing TA	EXS+:	86	76	61	64	68	71	72	71	69
		GDS:	18	8	13	21	11	14	13	13	13
	Maths	EXS+:	86	71	61	64	74 ©	71	73	73	71
		HS:	21	14	10	21	21	17	24	24	23
	Science	EXS:	86			71			81	80	79
	GPS	EXS:	89	68	65	64	63	70	72	72	72
		HS:	39	31	23	14	26	27	32	30	28
	RWM	EXS+	82	61	45	57	53 ©	60	61	60	59
		HS:	18	7	3	7	11	9	8	8	7

KS4 SECONDARY

The Trust has outperformed the national data in every measure in 2024. Trust disadvantaged children are performing well above the national for DA sub-groups and almost at the same level as all children nationally. Trust disadvantaged children achieved an overall outcome of 5+ EM 40%, 4+ EM 63%, A8 44.42 and P8 of -0.09.

Academy	Cohort	KS2	A8	EN APS	MA APS	EBacc APS	Open APS	EM 5+	EM 4+	P8	EBacc Entry	EBacc 5+	EBacc 4+	EBacc APS
Ashington	167	103.4	48.74	10.4	9.7	13.9	14.7	55%	75%	0.46	68%	21%	33%	4.4
Bedlington	128	105.3	45.19	10.03	8.7	12.5	13.9	45%	69%	-0.26	29%	10%	19%	3.83
Easington	141	106.4	49.54	10.7	9.0	14.1	15.8	55%	73%	-0.11	60%	28%	48%	4.44
Hermitage	182	104.4	48.06	10.8	9.0	14.0	14.2	49%	70%	0.15	65%	14%	29%	4.33
Rye Hills	169	105.9	49.39	11.56	9.5	13.7	14.6	60%	76%	0.06	35%	27%	31%	4.34
Shotton Hall	221	104.3	51.54	11.14	9.3	14.9	16.3	50%	76%	0.60	53%	23%	34%	4.6
Teesdale	123	106.4	53.32	11.7	10.2	15.8	15.7	60%	80%	0.27	59%	33%	44%	4.9
Trust Total	1131	105.0	49.5	10.9	9.3	14.1	15.0	53%	74%	0.2	53%	22%	34%	4.41
2024 Nationals			45.9	9.8	9.1	13.4	13.5	45.9%	65%	-0.03	40.4%	18%	25.2%	4.07

Published data for 2023-24 will contain the results for schools who have been in the Trust for 3 years or more.

**NORTH EAST LEARNING TRUST
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KS5 SECONDARY

We have four Sixth Forms across the trust at Ashington Academy, Bedlington Academy, Hermitage Academy and Teesdale School. The sixth form provision at Ashington and Bedlington is combined into one sixth form known as Northumberland East Sixth Form Academy (NE6.) All our Sixth Forms are small academic provisions that provide expert classroom teaching and brilliant pastoral support so that our students experience excellence every day.

Across NELT, Sixth form performance has remained strong. Performance can vary year on year due to small cohorts studying a different make up of subjects each academic year, however outcomes are forecast to remain broadly in line with this year in the 2024/25 summer examinations.

Destinations are strong across all Sixth Forms with less than 1% of students classed as NEET, who remain supported by NELT and all of which are expected to secure destinations soon. Increasing numbers of students across NELT are applying to Russell Group universities, some of the most competitive in the country.

Sixth Form	Students	A Level APS	A Level Average Grade	Nat Av Grade*	Students	AG APS	AG Average Grade	Nat Av Grade*
Ashington (NE6)	42	37.98	B-	B-	13	30.53	Distinction	Merit
Bedlington (NE6)	24	36.77	B-	B-	15	30.80	Distinction	Merit
Hermitage	57	31.34	C	B-	14	33.75	Distinction	Merit
Teesdale	29	39	B-	B-	9	33.3	Distinction	Merit

*From JCQ Updates November 2024: [A level and other 16 to 18 results, Academic year 2023/24 - Explore education statistics - GOV.UK](#)

Key performance indicators

Expenditure ratios	2024	2023
Total staff costs/Total income (excl. donations and capital grants)	78%	77%
Teaching and Educational Support staff costs/ Total income (excl. donations and capital grants)	66%	65%
Support staff costs/ Total income (excl. donations and capital grants)	12%	12%
Liquidity Ratio		
Current assets/current liabilities	2.9	2.7

Going concern

After making appropriate enquiries the board of trustees has a reasonable expectation that NELT has adequate resource to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, it continues to adopt the going concern basis in preparing financial statements. Further information regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Medium to long term financial planning remains a concern due to the ongoing strain on budgets into 2024/25 and ongoing uncertainty with continued global economic condition affecting inflation and energy markets. The trust is committed to long term planning and ensuring budgets remain sustainable with available resources.

Promoting the success of the company

General confirmation of Trustees and Executive duties

The North East Learning Trust members, trustees and executive board under the regulation of the ESFA and charity commission has a clear framework for determining the matters within its remit and has approved terms of reference within the scheme of delegation. The scheme of delegation establishes clear financial and strategic thresholds which determine delegation to the executive and identify matters requiring board consideration and approval. More information on trust policies and procedures can be found on the Trust website. When making decisions, each trustee ensures that he/she acts in the way he/she considers, in good faith and most likely promote the trusts vision and values and achieve its charitable purpose. Trustees are committed to the Nolan Principles and sector trust requirements regarding probity, propriety and regularity in signing a role description and in doing so have regard (among other matters) to:

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The likely consequences of any decision in the long term

The trustees and executive board understand the sector and local community's we operate in, including the challenges of best supporting children and families with the greatest needs. Based on the trusts deeply held principle that "every child has the right to an excellent education". The strategies set by the board have significantly improved the progress and outcomes of children in the areas of the North East in which we operate. The Trusts year on year improvement in student outcomes has been recognised by the Department for Education and Regional Schools Commissioner with further schools being supported by the Trust and joining the "NELT family of schools.

The financial medium-term plan shows growth in pupil numbers and through effective curriculum planning and financial management decisions, the trust continues to deliver favourable budgets, despite continuing economic uncertainty. All budget areas are under review to ensure the Trust can continue to meet the demands of the sector cost pressures and work to identify efficiency savings through rationalisation of supply vendors, asset improvement, new initiatives and management control are expected to provide levels of reserves that offer both security and opportunity for school improvement.

Below, we outline some of the strategic decisions made by the board over the year, explain how the trustees and executive have engaged with, or in relation to, the different key stakeholder groups and how stakeholder interests were considered over the course of decision-making:

The interests of the company's employees

The trustees and executive board recognise that our employees are fundamental and at the heart of our success and are key achieving our vision. The success of our trust depends on attracting, retaining and motivating employees and we work collaboratively with the academies in our Trust to develop our recruitment and retention strategy. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the trustees and executive factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

The need to foster the company's business relationships with suppliers, customers and others

Delivering our vision requires strong mutually beneficial relationships with parents/carers, local/central government, community leaders, suppliers, alliance schools and customers.

Moreover, the trustees and executive board receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from information provided from procurement function (on contract performance, renewal and future planning) to information provided by the head of finance (on creditor payments, due diligence for future sponsorship and re-brokerage).

The impact of the company's operations on the community and the environment

This aspect is inherent in our strategic ambitions, most notably on our ambitions to improve the outcomes of students and have a relentless focus on children. As such, the board receives information on all phases in our academies and then specific groups of students (e.g. primary, secondary and post 16 split between sex, deprivation and English as an additional language etc.). The trust board moreover delegates close scrutiny in these area to academy councils who hold local leaders to account playing a key role in the drive for continuous school improvement.

The desirability of the company maintaining a reputation for high standards of business conduct

NELT aims to support children across the north of England and schools nationally in a way that at all times supports the requirements of regularity, probity and propriety. The board continuously reviews and approves clear frameworks, such as expectations for learning policy, remote learning policy, code of conduct, specific ESFA publications and letters, and its modern slavery statements, to ensure that its high standards are maintained both internally and wider. This, complemented by the ways the board is informed, and monitors regularity, probity and propriety help assure its decisions it makes and way its acts promotes high standards of business conduct.

The need to act fairly as between members of the company

Members, Trustees and the executive consider which course of action best enables delivery of our strategy through the long-term, always taking into consideration the impact on children. In doing so, our trustees and executive act fairly and promote the highest standards of integrity. Members of the Trust receive copies of meeting minutes and all associated papers for them to feel comfortable with the current situation and strategic direction of the Trust Furthermore, members are invited to every Board meeting, typically one Member attends at least three of the meetings within the year.

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The board recognises that it has an important role in assessing and monitoring that our desired culture is embedded in the values, attitudes and behaviours we demonstrate, including in our activities and stakeholder relationships. The board has established the Nolan Principles for people in public office as primary to NELT's core values.

Financial Review

During the year ending 31st August 2024 total income of £83,968k (2023: £55,354k) represents an increase in income mainly due to in year transfers relating to Middleton In Teesdale and Biddick Academy and additional government grants. The majority of the Trust income is obtained from the DFE in the form of recurrent grants, made up of General Annual Grant £44,737k (2023: £42,948k), Other DFE Grants of £8,672k (2023: £7,115k) - including MSAG £1,510k, Teacher pay grant TPAG £777k, Teacher Pension Grant TPECG £498k and Recovery Premium grant £571k. Other DFE grants and Teaching School grants of £1,230k (2023: £1,255k), are restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the statement of financial activities for the year ended 31st August 2024.

The increase in the total expenditure to £64,168k (2023: £57,273k) is mainly due to the addition of Middleton in Teesdale and Biddick Academy, in addition to significant increases in pay, inflation on goods and services and the continued global impact on energy costs. The excess of income over expenditure for the year (excluding fixed assets and in year transfers) is £414k, compared to prior year net income of £581k. During the year transfers to capital reserves of £745k (2023: £1,989k), has increased reserves to £7,748k (2023: £6,422k). Available reserves of £7,748k (2023: £6,422k) being restricted reserve of £0k (2023: £400k) and unrestricted reserve of £7,748k (2023: £6,022k). The net expenditure including fixed assets and transfers in is £19,800k (2023: £1,919k).

Net current assets are £10,878k (2023: £10,005k), which largely reflects the increase in cash balances held, which remain favourable at £13,452k (2022: £12,339k).

The Trust recognises that the defined benefit pensions scheme deficit represents a significant potential liability. However, the Trust considers that as each individual academy is able to meet its pension contributions for the foreseeable future, the risk from this liability is reduced. The liability does not have an immediate cash flow impact and is linked to future contributions.

The North East Learning Trust

The central trust headquarters continues to develop Trust policy and established process to maximise opportunities for all schools through effective financial management and pursuing new funding opportunities, in addition to improvements to support the integration of future new schools. The Trust commitment to furtherance of education and growth and has resulted in invested in trust wide capacity to ensure growth is underpinned by strategic development ensuring all schools reach their potential in terms of academic performance, excellent facilities and sustainable financial resources.

NELT Institute

During the year the Trust has further developed Research School and Teaching School Hub activity providing additional income of £1,230k (2023: £1,255k) including North East SCITT income, resulting in a surplus of £62k (2023: £159k).

North East SCITT

The SCITT, rated as Outstanding by Ofsted in 2015, continues to navigate a difficult landscape. Despite challenges, it has generated additional income of £206k (2023: £631k). ITT recruitment continues to remain a significant risk both locally and nationally.

The Trust Scheme of delegation and Finance Manual sets out the key financial responsibilities and policies including: delegation of spending, capitalisation limit, purchasing procedures including procurement regulations and systems of internal control. During the year many changes have been made as the Trust continues to develop policies and procedures appropriate for the size and composition of the Trust. All expenditure of the Academy Trust is made in line with this manual as and such, supports the provision of Education of all students on roll.

Financial and risk management objectives and policies

The Trust aims to minimise exposure to fluctuations in the value of financial instruments. A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The exposure to credit risk and bad debts are kept to a minimum as there is a relatively low level of exposure to debtors at any time during the year.

The Trust does, like many other institutions, have an ongoing liability in respect of define benefit pension schemes relating to some of their employees. More information can be found regarding this in the relevant note to the accounts.

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In managing the risk relating to the liability of the defined benefit pension schemes, the Trust includes employer contributions in the budgets and cash flow forecasts at the contribution rate set out at the triennial review of each scheme. Sensitivity analysis is undertaken to estimate any adverse changes in contribution rate.

Reserves policy

Trustees and the executive board review the reserve levels throughout the year based upon monthly and year-end financial reports. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the type of reserves. The Trust intends to invest in further facility additions and further refurbishment schemes and continues to develop a long-term IT and asset replacement strategy. The Trust and its academies continue to review long term sustainability regarding resource physical capacity, IT lifecycle and building refurbishment strategies with available and foreseeable funding streams, to ensure the education environment remains suitable in pursuit of the Trust strategic objectives.

A long-term pension deficit exists at 31 August 2024 of £1,189k (2023: £1,912k).

The level of free reserves at the year ended 31 August 2024 was £7,748k (2023: £6,422k), of which £761k is restricted (2023: £400k) and £6,987k (2023: £6,022k) is unrestricted. These are funds which are available for furtherance of the educational charitable objectives. Fixed asset reserves of £113,080k (2023: £94,758k) include £3,130k (2023: £3,504k) unspent reserves representing transfer to capital ringfenced for capital lifecycle plans.

The Trust target minimum reserves are 8% of total forecast annual income (excluding capital and transfers), current reserves are 13% (2023: 12%) which includes contingency to support inflation uncertainty, Trust development, new school transfers and lifecycle refresh of assets and facilities. Individual academies are expected to produce at least a break even budget each year with a surplus of 2% of GAG income targeted.

Investment policy

The investment policy aims to manage cash balances to provide daily working capital requirements. In addition, the Trust aims to invest surplus cash funds to optimise returns, while ensuring the investment instruments are such that there is no risk to the loss of these cash funds, taking a risk averse approach. At the year end short term cash deposits of £394k previously invested by Biddick Academy Trust remained on deposit in interest bearing bank accounts. These deposits have since matured and future investment will consider current rapid growth of schools joining the trust and a degree of uncertainty regarding their budgets and available reserves following transfer, combined with long-term capital income pressures there is an expectation that reserves will be invested in asset condition and lifecycle during 2024/25 and any remaining funds will be invested in line with the Trust articles.

Principal risks and uncertainties

The principal risks and uncertainties continue to arise from the rapid pace of change in the educational landscapes and the development of the Academies framework. In curricular terms we have adopted a working brief and are ensuring we respond quickly and flexibly. The most significant areas of concern arise from ongoing national changes to school funding as all schools are unclear as to how government funding will meet current and future inflationary pressures.

The Trusts growth strategy requires an ongoing commitment to capacity and efficiency to ensure successful growth delivers economy and improved performance to all Trust schools. The Trust continues to seek DfE capacity funding to support future development as well as continually reviewing budgets and value for money for the benefit of all schools. External grant funding opportunities are actively sourced to support all Trust schools, particularly for Trust Schools that at the point of transfer had financial difficulties, to help financial recovery. The medium-term plan continues to identify areas of financial risk for which there are robust plans in action to remedy the overall trust financial position.

The Trust maintains a risk register in order to formally identify the major risks to which the Trust is exposed. A number of systems to assess risks that the school faces, especially in operational areas (e.g. in relation to teaching, health and safety, bullying and educational visits) are in place and furthermore, appropriate arrangements (e.g. a regular and thorough lesson observation programme; safer recruitment; vetting of visitors and staff supervision procedures) are continually reassessed to minimise risk. There is an effective system of internal financial controls and where significant financial risk remains, adequate insurance cover is in place.

The ongoing uncertainty regarding school operation during the current cost of living and economic crisis has demanded constant re-assessment of risk, business continuity procedures, training and how school resources are effectively invested. The Trust

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remains diligent and committed to ensure our schools remain a safe environment for staff and children, whilst we continue to invest in condition assessments to improve facilities in accordance with the good estates management (GEM) guidance.

ITT recruitment of the next generation of teachers remains a risk due to the national shortage of new teachers to the profession, the Trust is committed to working with its partners to increase the profile of ITT and ensure future recruitment is maximised, through the continued delivery of skills, knowledge, and experience programme (SKE).

Fundraising

The academy trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure. The Trust does not utilise the services of a professional fundraiser.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Plans for Future Periods

The Trust is committed to the furtherance of our wider school improvement work, bringing all school improvement elements together including ITT, Research School, National Teaching Schools and a wide network of senior national leaders of education to offer high quality professional development and school improvement to all the schools we work with, inside and outside of the Trust.

The Trust is committed to the continual improvement of teaching and learning, raising standards in conjunction with statutory requirements, but ultimately is focused on the high-quality provision and best possible outcomes for our children. Continual improvement and innovation of working practices to support efficient workings practices for the benefit of both teaching and non-teaching staff, promotes wellbeing and opportunity.

The Trust is focused on the emerging risks affecting long term sustainability, due to the current economic crisis. Maintaining approved reserve levels and ensuring all opportunities for smarter working and efficiency savings are reviewed to ensure the Trust remains competitive and capable of meeting the needs of our staff and students.

The Trustees are committed to the growth strategy and are focused on the development of best practice within all Trust schools, for the benefit of the wider trust. The Trust is in discussion with potential new schools to join the NELT family of schools and continues to work with DfE and other schools for future Trust growth opportunities.

Looking forward, we are clear that our growth strategy means that we must continually review and renew the way we operate to ensure we retain a laser like focus on our children and the outcomes and opportunities they deserve at every stage of their school lives. Ensuring they can progress successfully to the next phase of their lives fulfilling their potential as well as aspiring to good jobs that will support themselves and their families in the future is something we work to deliver for all of our children and young people.

Employee Consultation and Disabled Employees

The Trust is committed to supporting and promoting equality and diversity in all its practices and activities. We aim to establish a culture that is free from discrimination and based upon the values of dignity, courtesy, and respect. The Trust recognises the rights of all who work or learn in its' academies to be treated in accordance with these values.

We do not tolerate harassment of any kind.

Through our policies and working practices we aim to ensure that all staff are welcome within our community and do not face discrimination about any aspect of their identity.

The Trust considers all applications from disabled persons and guarantees an interview if essential criteria are met. Where an existing employee discloses a disability, reasonable adjustments will always be explored to ensure that employment within the Trust can continue.

The Trust's policy is to provide training and career development opportunities, when required to meet the needs of all employees.

NORTH EAST LEARNING TRUST
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The Trust works with employee trade unions and professional associations across all of its academies and engages in consultation, as required, to ensure that any aspect impacting employees, including financial and economic factors, are discussed, conveyed and consulted upon in a timely manner.

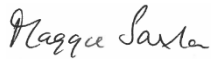
Auditors

Trustees will undertake a tender for external audit services for 2024/25. RSM have indicated willingness to continue as auditors.

Statement as to disclosure of information to auditors

The Trustees have confirmed that, as far as they are aware, there is no relevant information of which the auditors is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 18th December 2024 and is signed on its behalf by:



Maggie Saxton
Chair

**NORTH EAST LEARNING TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2024**

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the North East Learning Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable not absolute assurance against material misstatement or loss. As Trustees, we have reviewed and taken account of the guidance in the DFE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated day-to-day responsibility to the Chief Executive Officer (CEO), as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the North East Learning Trust and the Secretary of State for Education. The CEO as the Accounting Officer is also responsible for reporting to the 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 Trustees have formally met 6 out of 6 planned times during the year, the Audit and Risk committee met twice, and Local Academy Councils (LAC) met three times to ensure planning, support and oversight was carried out at a local school level. The Board of Trustees have exercised effective oversight throughout the year and maintained regular engagement with the Executive Board and LAC utilising information shared on Governors' HUB, LAC minutes and specific updates throughout the year. The Trustees have utilised information from the Schools Financial Benchmarking website to compare spending with other schools which enabled Trustees to consider their comparative performance and identify areas to improve efficiency. Trustees have completed a self-evaluation questionnaire and attended governance improvement sessions, to identify training needs and areas of improvement. Attendance during the year at meetings of the Trustees was as follows:

Governor	Meetings Attended	Out of a Possible
Mrs L Powell	6	6
Mrs M Saxton	6	6
Mrs S McDonnell	3	6
Mr D Gibson	0	1
Mrs S Mason	3	6
Mrs A Moon	6	6
Major J Bartlett	5	6
Mrs S Duncan	4	6
Mrs J Cook	5	6
Mr B Stepheson	3	3

Trustees also participate in activities across the Trust including academy visits, dealing with appeals and complaints in line with Trust policy. Trustees undertake lead governance roles covering, safeguarding, primary curriculum, secondary curriculum, attendance, etc...

All Trustees complete a declaration of interest form at the beginning of each academic year and are asked to declare any interests or conflicts of interest before the start of each meeting.

Governance review

The governance manager continually reviews policy updates, governance structure and scheme of delegation, to confirm that they are 'fit for purpose'. The Trust has reviewed the website compliance assessment undertaken by the Executive board as part of the annual independent governance checks during the year.

During the year the Trust continued to develop governance to establish any improvement to further embed good practice consistently throughout the Trust. The ongoing development of LAC's continues ensuring they undertake their responsibilities for the review of academy performance as defined by the scheme of delegation. Trustees are kept well apprised of school performance and review by LACs at committee meetings. Trustees are mindful of the need to increase leadership and support functions in line with Trust growth and are satisfied that appropriate action has been taken to minimise areas of risk and build on resource and expertise in key areas to facilitate Trust development. Trustees have received timely information regarding the development and progress at all schools, with particular scrutiny of new schools and the challenges they face in the early phase of joining the Trust. As well as receiving information from the CEO and Deputy CEO, a programme of presentations is delivered at Trustee meetings to provide progress updates of specific Academy performance and improvement. Trustees are confident that

NORTH EAST LEARNING TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2024

future financial forecasts are strong which will allow the Executive Board to implement improvement plans that will aim to increase student numbers and academic results for students.

During the year Trustees have been engaged in a risk questionnaire to support the implementation of a new risk management software system, which help disseminate and maintain the risk control framework across the Trust. Trustees, headteachers and Trust central staff undertook a MAT assurance questionnaire. This led to the completion of a Trust self-evaluation document written against the DfE's Trust quality descriptors. This in turn has informed our strategic plan for continual growth and excellence. In addition, Trustees will commission an independent governance review with the Trust internal scrutineer, to further appraise the boards effectiveness.

Audit and Risk Committee

The Audit and Risk committee is made up of 4 trustees and one member and is authorised to:

- obtain appropriate external legal and other professional advice to fulfil its responsibility to the Trustees.
- investigate on behalf of the Trustees anything that threatens or adversely affects the accomplishment of the charity's aims and objectives, its assets, the reliability of all records and information, and its compliance with all relevant laws, regulations, policies, and its governing instruments.
- obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference.

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

Governor	Meetings Attended	Out of a Possible
Mrs L Powell	1	2
Mrs M Saxton	2	2
Mrs S McDonnell	1	2
Mrs Barbara Waugh	2	2
Mrs S Mason	2	2
Major J Bartlett	2	2

All members, trustees and staff are directed to co-operate with any request made by the Audit and Risk Committee. Internal scrutiny has been commissioned by the committee, using an independent, qualified internal audit firm (Veritau). The Committee also reviewed and agreed the terms of reference as follows:

Financial Reporting

- To review and where necessary to challenge the actions and judgements of Trust and Academy governance and management in relation to financial reporting, accounting policies, budgets, unusual transactions, disclosures, audit adjustments and statutory compliance.

Internal Control and Risk Management

- To advise the Trust Board and Accounting Officer on the adequacy of and effectiveness of controls.
- To monitor and review the integrity of the Trust's internal financial controls, including procedures to detect and prevent fraud and impropriety and those to identify, assess and manage risk.

Including:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by Executive Board and Trustees.
- review of financial performance 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.
- Review and update of Finance policy and operational guides
- Review of risk register and determine areas of risk to consider in addition to that of the Executive board.

NORTH EAST LEARNING TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2024

Internal Audit

- To decide how the Trust, obtain assurance that robust systems of internal controls and sound management are in place, through use of:
 - Internal Audit from central Finance on individual schools
 - Internal Audit service provided by (internal audit firm)
 - Independent reviews by suitably qualified providers
- To monitor and review all internal audit reports and management responses to any audit issues raised.
- To assess the effectiveness of the audit cycle at the end of it cycle.

External Audit

- To recommend the appointment, re-appointment or removal of external auditor and oversee the Trust's relations with them; to approve the terms of engagement and fee.
- To discuss with the external auditor, before the audit commences, the nature and scope of the audit
- To review with the external auditor, the findings of their work, including any major issues arising and their resolution, key accounting judgements and level of errors identified during the audit.
- To assess the effectiveness of the audit cycle at the end of the cycle.
- To oversee the Trust's need for impartiality by the external auditor with reference to their non-audit services, to ensure objectivity is not impaired through their delivery.

Review of value for Money

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

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

Further standardisation through effective establishment of curriculum subject directors, embedding best practice as a Trust Must, has removed duplication of effort, improved efficiency and reduced inconsistency.

Value for money in the current climate has been challenging due to inflation impacting all commodities and supplies, however despite this pressure the trustees are satisfied local management of resources and project delivery has realised effective decision making to achieve deliverables and significant improvements to school facilities. During the year significant time has been allocated to procurement and management of energy, paper supply and catering supplies.

Standardisation of Trust academy contracts for supplies and services continues to limit the Trusts risk exposure and target best value with fewer suppliers to provide a Trust catalogue of approved items, to enable more effective management of supply chains. The central Finance function negotiates contracts on behalf of all Trust schools enabling greater value for money through the increased purchasing power and reduction of administration at local academies.

Capacity investment in resources has helped support continued management of effective operations and innovation, through succession planning and development of staff, providing estates resource, management of administration, executive board growth, quality assurance, IT restructure and IT solutions development. This investment is an enabler for continued development of operations, improved assurance and innovation. IT solutions development is dramatically improving report administration time and quality of information for Trustees, Executive board and the wider staff population for monitoring attendance, behaviour, performance and other data analytics.

The ongoing implementation of the HR/payroll system, will realise significant efficiencies trust wide, reducing administration, improving control checks and availability of information to monitor performance and aid decision making.

The Trust continues to use both national and local authority procurement frameworks for the procurement of supplies and services and trust procurement policies are currently under review in respect of the forthcoming change in procurement legislation (Procurement Act 2023).

NORTH EAST LEARNING TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2024

Development and delivery of central services continues to support and allow schools to concentrate on local school activity, with the understanding all insurances, compliance subscriptions and policy matters are complied with in addition to sourcing and maximising value for money through economies of scale.

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 ongoing process designed to identify and prioritise the risks to the achievement of North East Learning 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 North East Learning Trust for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees review the key risks of North East Learning Trust on an on-going basis to minimise any potential risk together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are aware of the view that there is a formal on-going process for identifying, evaluating and managing North East Learning Trust significant risks that has been in place for the year ending 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

Managing Conflicts of Interest

Annually all members and trustees formally declare any interests, which is maintained and shared on the Trust website. Any matters or relationships that give rise to any actual or perceived conflicts of interest are reviewed, discussed and managed/approved by the board. Operationally conflicts are avoided through best practice and control measures, such as new supplier forms that seek to identify any potential conflicts or related parties.

The risk and control framework

North East Learning Trust 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 Local Academy Council
- regular reviews by the Finance and Premises 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 Trustees have adopted an internal audit function approach to internal scrutiny and has appointed Veritau to provide a programme of assurance engagements, including checks on the Academy Trust's financial systems. Internal assurance reports are reported to the Trustees on the operation of the systems of control and on the discharge of the Trust's financial responsibilities.

The Annual internal scrutiny report reported to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities. The report rates the level of internal assurance for each internal audit undertaken.

The audit committee commissioned two audit engagements during the year with the Trusts appointed internal scrutiny provider covering business continuity and census returns. The outcome of the internal audits provided for the 2023/24 academic year are below:

Audit	Status	Type	Assurance level
Census and funding returns	Final	Assurance	Substantial
Business continuity	Final	Support and advice	N/A

NORTH EAST LEARNING TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2024

The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the trust is that it provides Reasonable Assurance. There are no qualifications to this opinion and no reliance was placed on the work of other assurance bodies in reaching this opinion.

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 reviewer
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the Head of Finance within the Academy Trust who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and 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 Trustees on 18th December 2024 and signed on its behalf by:



Maggie Saxton
Chair



Lesley Powell
Accounting Officer

NORTH EAST LEARNING TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
Year ended 31 August 2024

As accounting officer of North East Learning Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency ('ESFA') of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2023.

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



Mrs Lesley Powell
Accounting officer

NORTH EAST LEARNING TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
Year ended 31 August 2024

The trustees (who act as trustees for charitable activities of North East Learning Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Academies Accounts Direction issued by the Education 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 year. 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 in the Charities SORP 2019 and Academies Accounts Direction 2023-24;
- make judgments and 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; and
- 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 the 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 on 18th December 2024 and signed on its behalf by:



Maggie Saxton
Chair

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORTH EAST LEARNING TRUST
Year ended 31 August 2024**

Opinion

We have audited the financial statements of North East Learning Trust (the "charitable company") for the year ended 31 August 2024 which comprise Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 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 charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORTH EAST LEARNING TRUST
Year ended 31 August 2024**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report, and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, or the Strategic Report included within the Trustees' 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 set out on page 28, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORTH EAST LEARNING TRUST
Year ended 31 August 2024**

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academy Trust Handbook and Academies Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Mallinson FCA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

NORTH EAST LEARNING TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
for the year ended 31 August 2024

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2024 £'000	Total 2023 £'000
Income and endowments from:						
Donations and capital grants	4	9	79	1,515	1,603	1,927
Transfer from local authority on conversion	27	187	(58)	1,415	1,544	-
Transfer of existing academies into the Trust	28	1,680	-	20,253	21,933	-
Charitable activities:						
Funding for the academy trust's educational operations	2	-	54,714	-	54,714	49,601
Teaching School Hub	2 & 5	19	1,211	-	1,230	1,255
Other trading activities	5	2,941	-	-	2,941	2,570
Investment income	6	3	-	-	3	1
Total		4,839	55,946	23,183	83,968	55,354
Expenditure on:						
Raising funds	7	2,038	89	-	2,127	1,878
Charitable activities:						
Academy trust educational operations	8	342	54,925	5,606	60,873	54,299
Teaching School Hub		-	1,168	-	1,168	1,096
Total		2,380	56,182	5,606	64,168	57,273
Net income / (expenditure)		2,459	(236)	17,577	19,800	(1,919)
Transfers between funds	19	(1,494)	749	745	-	-
Other recognised gains / (losses):						
Actuarial gains on defined benefit schemes		-	571	-	571	3,730
Losses on disposal of assets		-	-	-	-	(56)
Net movement in funds		965	1,084	18,322	20,371	1,755
Reconciliation of funds						
Total funds brought forward		6,022	(1,512)	94,758	99,268	97,513
Total funds carried forward		6,987	(428)	113,080	119,639	99,268

NORTH EAST LEARNING TRUST
(Company number: 07492165)
BALANCE SHEET
for the year ended 31 August 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	14	109,915	91,210
Intangible assets	13	35	44
		<u>109,950</u>	<u>91,254</u>
Current assets			
Stock	15	107	104
Debtors	16	3,082	3,528
Cash at bank and in hand		13,452	12,339
		<u>16,641</u>	<u>15,971</u>
Current Liabilities			
Creditors: amounts falling due within one year	17	(5,763)	(5,966)
		<u>10,878</u>	<u>10,005</u>
Net current assets			
Creditors: amounts falling due after one year	18	-	(79)
Net assets (excluding pension liability)		120,828	101,180
Pension scheme liability	29	(1,189)	(1,912)
		<u>119,639</u>	<u>99,268</u>
Net assets (including pension liability)			
Funds of the Academy Trust:			
Restricted funds			
Restricted fixed Asset fund	19	113,080	94,758
Restricted general fund	19	761	400
Pension fund	19	(1,189)	(1,912)
		<u>112,652</u>	<u>93,246</u>
Unrestricted fund			
General fund	19	6,583	6,022
Sinking fund	19	404	-
		<u>6,987</u>	<u>6,022</u>
Total funds	19	119,639	99,268

The financial statements on pages 32 to 59 were approved by the Governors and authorised for issue on 18th December 2024 and signed on their behalf by:



Maggie Saxton
Chair

NORTH EAST LEARNING TRUST
CASHFLOW STATEMENT
for the year ended 31 August 2024

	Notes	2024 £000	2023 £000
Cash flows from operating activities			
Net cash provided by in operating activities	25	462	1,386
Cash flows from investing activities	25	(1,231)	(493)
Cash transferred from joining academy trust	27 & 28	1,882	-
Cash flow from financing activities	25	-	(2)
Change in cash and cash equivalents in the reporting period		<u>1,113</u>	<u>891</u>
Cash and cash equivalents at 1 September 2023		12,339	11,448
Cash and cash equivalents at 31 August 2024	26	<u><u>13,452</u></u>	<u><u>12,339</u></u>

**NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1 STATEMENT OF ACCOUNTING POLICIES

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

General Information

North East Learning Trust is a Charitable Company (the 'Academy Trust'). The address of the Trust's principal place of business is set out in the 'Company Information' pages. The nature of the Academy Trust's operations set out in the Trustees' Report.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

North East Learning Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently applied, in dealing with items which are considered material in relation to the financial statements, to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest £1,000 except where otherwise indicated.

Going Concern

After reviewing financial and other information available, the trustees consider that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment, using cash flow forecasts that have been prepared 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming resources

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

Grants

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

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

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Capital grants are recognised in full and 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 when performance conditions are met and are not deferred over the life of the asset on which they are expended.

Donations

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

Other income

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

Transfer on conversion

Where assets and liabilities are received by the academy 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 academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of existing academies into the trust

The transfer of 1 school into the academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below:

Net assets are received on the transfer of an existing academy into the trust, the transferred net assets are measured at fair value and recognised in the balance sheet in the appropriate categories, at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised as a net gain in the financial activities for the Transfer of an existing academy into the trust within Donations and capital grant income. The amounts are recognised and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis and is stated inclusive of related tax credits.

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

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

Charitable activities are costs incurred on the Academy Trust's educational operations and teaching schools, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities. All resources expended are inclusive of irrecoverable VAT.

Fund accounting

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors and include grants from the ESFA/DfE.

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Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the ESFA, where the asset acquired or created is held for a specific purpose.

Building Schools for the Future

The Trust occupies a building (The Academy at Shotton Hall) which was procured by Durham Local Authority under the BSF programme as a Private Finance Initiative (PFI) project. The Academy pays revenue contributions in respect of Facilities Management. The BSF contract will expire in 2036. The Academy does not have any rights or obligations of ownership in respect of these assets, and therefore they are not included on the Trust's balance sheet. The revenue payment for service costs is recognised in the SOFA.

When the Trust procures and pays for additional furniture or equipment, or changes to the building, the costs are capitalised and depreciated in accordance with the Tangible Fixed Asset policy below.

Property subject to a Private Finance Initiative (PFI) arrangement

The Trust occupies a building (Bedlington Academy) which was procured under the ESFA PF2 programme which includes Land and Buildings of £15.4m which are maintained by a third party under a PFI agreement. The Trust has entered into a 25-year agreement with ESFA. Due to the nature of the asset and the terms of the agreement, the Trust has the rights and obligations which in substance give the Trust the right to use the asset. As such the trust recognises the building on the balance sheet at its fair value. Under the agreement there is no obligation to make a capital contribution in respect of the property.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 5 years

Tangible fixed assets

Tangible fixed assets costing £5,000 or more are capitalised at cost and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefit. All other costs of repair and maintenance are charged to the statement of financial activities as incurred.

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 the related grants require the asset to be held for a specific purpose, they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, on a straight-line basis over its expected useful life dependant on the type of asset.

- Freehold buildings & Leasehold improvements 10 years – 50 years
- Leasehold buildings 25 years
- Furniture and equipment 7 years
- Computer hardware 5 years
- Motor vehicles 5 years

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

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Stock

Exercise books are valued at the lower of cost or net realisable value.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Liabilities

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

Operating leases

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

Financial Instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measure at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS') which are multi-employer 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 Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the

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period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme, and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected credit unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. 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 as other comprehensive income.

Actuarial gains and losses are recognised immediately as other comprehensive income. The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns, and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term Employment Benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

Agency arrangements

The Academy Trust acts as an agent in distributing North East SCITT bursary funds from the Education Skills Funding Agency. Bursaries received from the Department for Education and subsequent disbursements to trainee teachers are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds.

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the 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 30.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit obligation 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 (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

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obligation 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 obligation. Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to be included in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and its inherent implied continuance as well as the operation of the primary and secondary contributions.

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 £5,606k see note 14 for the carrying amount of property, plant and equipment.

Critical areas of judgement:

Land and buildings - certain Land and buildings are held under a 125-year lease from various Councils. These assets are included on the balance sheet of the Trust due to the significant risks and rewards of ownership belonging to the academy, 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, see note 14 for the carrying amount of Land and buildings.

PFI arrangements

Management are required to make a judgement as to the appropriate accounting treatment and presentation of properties subject to PFI. They do this on a case-by-case basis with reference to the specific contracts in place.

The considerations include:

- Right to access/restrictions of use
- Risks of ownership
- Rewards of ownership
- Substance of transaction
- Any obligation to make capital contributions

2 CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Total 2023 £'000
Funding for the Academy Trusts educational operations				
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG) (note 3)	-	44,737	44,737	42,948
16-19 Core funding	-	1,978	1,978	1,722
Other DfE/ESFA grants				
Pupil Premium	-	2,641	2,641	2,501
Mainstream Schools Additional Grant	-	1,510	1,510	629
Covid Recovery Premium	-	570	570	549
Teachers Pay Additional Grant	-	798	798	-
Supplementary Grant	-	-	-	1,252
Other	-	1,175	1,175	929
	-	53,409	53,409	48,808

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OTHER GOVERNMENT GRANTS

Local authority grants	-	877	877	634
Other grants	-	428	428	159
	-	1,305	1,305	49,601
Teaching School	19	1,211	1,230	1,255
	19	55,925	55,944	50,856
2023	-	50,856	50,856	

During the year other DfE grants included an additional Teachers Pay Additional Grant (TPAG) £798k to cover the cost of the Teachers pay award.

3 GENERAL ANNUAL GRANT (GAG)

The funding agreement for all academies within the trust have no restriction on GAG carry forward.

4 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Restricted fixed assets Funds £000	Total 2024 £000	Total 2023 £000
Donations	9	79	-	88	10
Capital grants	-	-	1,515	1,515	1,917
Transfer on conversion	1,867	(58)	21,668	23,477	-
Total	1,876	21	23,183	25,080	1,927
2023	10	-	1,917	1,927	

5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Catering income	1,863	-	1,863	1,618
School trips	784	-	784	663
Income from lettings	82	-	82	60
Sale of merchandise	37	-	37	41
Other income	175	-	175	188
	2,941	-	2,941	2,570
Teaching School	-	-	-	-
	2,941	-	2,941	2,570
2023	2,570	-	2,570	

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6 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2024 £000	Total 2023 £000
Short term deposits	397	-	397	1
2023	1	-	1	

7 EXPENDITURE

	Staff Costs £000	Non-Pay Expenditure		Total 2024 £000	Total 2023 £000
		Premises £000	Other £000		
Expenditure on raising funds:					
Allocated support costs	-	-	2,127	2,127	1,878
Academy's educational operations:					
Direct costs	38,208	-	8,012	46,220	40,943
Allocated support costs	6,949	4,800	2,904	14,653	13,356
Teaching school					
Direct costs	625	-	-	625	563
Allocated support costs	110	-	433	543	533
	<u>45,892</u>	<u>4,800</u>	<u>13,476</u>	<u>64,168</u>	<u>57,273</u>

Expenditure on raising funds was £2,127k (2023: £1,878k) of which £2,038k (2023: £1,799k) was unrestricted and £89k (2023: £79k) was restricted general fund.

	2024 £000	2023 £000
Income/(expenditure) for the period includes:		
Depreciation and Amortisation	5,606	4,417
Gain/(loss) on disposal of fixed assets	-	56
PFI service cost	1,534	1,422
Fees payable to auditor for:		
Audit	51	38
Other assurance services	13	7
Net interest on defined benefit pension obligation	<u>26</u>	<u>182</u>

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2024 £000	Total 2023 £000
Direct costs		
Educational operations	46,220	40,943
Teaching schools	625	563
Support costs		
Educational operations	14,653	13,356
Teaching schools	543	533
	<u>62,041</u>	<u>55,395</u>

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8 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS

Analysis of support costs	Educational operations £000	Teaching schools £000	Total 2024 £000	Total 2023 £000
Support staff costs	6,949	110	7,059	6,429
Maintenance of premises & equipment	826	1	827	842
Payment under PFI arrangements	1,534	-	1,534	1,422
Rates	1,540	-	1,540	1,291
Insurance	216	-	216	185
Recruitment & support	134	-	134	119
Bank interest & charges (incl. defined benefit pension costs FRS 102 £26k)	65	-	65	215
Travel & Subsistence	76	12	88	57
Transport	384	-	384	296
Work Related	543	-	543	468
Subscriptions	158	6	164	133
Printing/Photocopying	309	2	311	263
Service Contracts	289	147	436	461
Governance costs	118	3	121	63
Cleaning Costs	684	-	684	572
Legal Costs	131	-	131	273
Other Support Costs	697	262	959	800
Total support costs	14,653	543	15,196	13,899

Expenditure on charitable activities was £62,041k (2023: £55,395k) of which £342k (2023: £182k) was unrestricted, £5,606k (2023: £4,417k) was restricted fixed asset funds and £56,093k (2023 £50,796) was restricted general funds.

9 STAFF COSTS

a) Staff costs	2024 £'000	2023 £'000
Staff costs during the period were:		
Wages and salaries	33,311	29,824
Social security costs	3,476	3,069
Pension cost	7,521	6,897
Apprenticeship Levy	169	151
	<u>44,477</u>	<u>39,951</u>
Supply teacher costs	1,126	938
Staff restructuring costs	289	274
	<u>45,892</u>	<u>41,152</u>
Staff restructuring costs comprise of:		
Redundancy payments	75	20
Severance payments	214	254
	<u>289</u>	<u>274</u>

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9. Staff costs (continued)

b) Severance payments

The academy trust paid 19 severance payments in the year, disclosed in the following bands:

	2024
	No.
£0 - £25,000	15
£25,001 - £50,000	4
£50,001 - £100,000	-

c) Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £40k (2023: £93k).

Individually the special severance payments were £3,212, £5,354, £5,504, £6,126, £10,000, and £10,000.

No specific funding was received or receivable to support the restructuring payments in respect of the current or prior year.

d) Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year ended 31 August 2024 was as follows:

	2024	2023
	No.	No.
Teachers	477	467
Administration and support	535	529
Management	32	29
	<u>1,043</u>	<u>1,025</u>

e) Higher paid staff

The number of employees whose annual emoluments (excluding pension contributions) fell within the following bands was:

	2024	2023
	No.	No.
£60,001 - £70,000	52	24
£70,001 - £80,000	17	11
£80,001 - £90,000	7	8
£90,001 - £100,000	4	-
£100,001 - £110,000	3	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	2
£130,001 - £140,000	-	-
£140,001 - £150,000	1	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	-
£170,001 - £180,000	-	-
£180,001 - £190,000	-	-
£190,001 - £200,000	-	1
£200,001 - £210,000	1	-

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f) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. 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 academy trust was £1,011,658 (2023: £861,690).

10 CENTRAL SERVICES

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

- Human Resources
- Financial Services
- Legal Services
- Education Support Services
- Marketing
- Estates and Health and Safety Management

The trust charges for these services on a combination of direct apportioned time and residual values are on a per pupil number basis.

The actual amounts charged during the year were as follows:

	£'000	Total 2024 £'000	£'000	Total 2023 £'000
The Academy at Shotton Hall – Academy only	536		598	
Shotton Hall SCITT	21		20	
Teaching School	24		20	
The Academy at Shotton Hall	581			638
Browney Primary Academy		54		52
Teesdale Academy		326		337
Easington Academy		379		380
Sacriston Academy		54		53
Diamond Hall Junior Academy		100		93
Ashington Academy		437		483
Bedlington Academy		365		390
Hermitage Academy		471		510
Rye Hills Academy		409		450
Meadowdale Academy		59		44
Middleton in Teesdale Academy		16		-
Biddick Academy		86		-
		<u>3,337</u>		<u>3,430</u>

11 TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer (CEO) only receives remuneration in respect of services they provide undertaking the role of CEO and Accounting Officer, under their contract of employment and not in respect of their service as Trustee. Other Trustees' do not receive any payments from the Academy Trust in respect of their role as Trustee, other than expenses. The value of Trustees' remuneration paid to the Chief Executive Officer was £209,200 (2023: £198,433) and pension contributions paid in the year was £0 (2023: £30,609).

During the year ended 31 August 2024 the trustees were reimbursed expenses relating to travel and subsistence expenses of £0 (2023: £0).

Related party transactions involving the trustees are set out in note 24.

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12 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

13 INTANGIBLE FIXED ASSETS

	Computer Software £000	Total £000
Cost		
At 1 September 2023	86	86
Additions	-	-
At 31 August 2024	<u>86</u>	<u>86</u>
Amortisation		
At 1 September 2023	42	42
Charged in year	9	9
Disposals	-	-
At 31 August 2024	<u>51</u>	<u>51</u>
Net book values		
At 31 August 2023	44	44
At 31 August 2024	<u>35</u>	<u>35</u>

14 TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2023	111,803	1,081	2,078	246	115,208
Additions	1,745	72	932	-	2,749
Transfers in	21,154	177	222	-	21,553
Disposals	-	-	-	-	-
At 31 August 2024	<u>134,702</u>	<u>1,330</u>	<u>3,232</u>	<u>246</u>	<u>139,510</u>
Depreciation					
At 1 September 2023	21,908	657	1,260	173	23,998
Charged in year	5,082	138	353	24	5,597
Disposals	-	-	-	-	-
At 31 August 2024	<u>26,990</u>	<u>795</u>	<u>1,613</u>	<u>197</u>	<u>29,595</u>
Net book values					
At 31 August 2023	89,895	424	818	73	91,210
At 31 August 2024	<u>107,712</u>	<u>535</u>	<u>1,619</u>	<u>49</u>	<u>109,915</u>

**NORTH EAST LEARNING TRUST
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15	STOCK	2024	2023
		£000	£000
	Exercise Books	72	85
	Catering Stock	35	19
		<u>107</u>	<u>104</u>
16	DEBTORS	2024	2023
		£000	£000
	Trade debtors	61	419
	VAT recoverable	383	844
	Other debtors	24	12
	Prepayments and accrued income	2,614	2,253
		<u>3,082</u>	<u>3,528</u>
17	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2024	2023
		£000	£000
	Trade creditors	1,940	1,739
	Other taxation and social security	894	739
	Other creditors	1,063	753
	Accruals and deferred income	1,866	2,735
		<u>5,763</u>	<u>5,966</u>
	Deferred income	2024	2023
		£000	£000
	Deferred income at 1 September 2023	735	660
	Released from previous years	(732)	(553)
	Resources deferred in the year	759	628
	Deferred Income at 31 August 2024	<u>762</u>	<u>735</u>
	Accruals	1,104	2,000
	Total accruals and deferred income	<u>1,866</u>	<u>2,735</u>
	At the balance sheet date, the Trust was holding funds received in advance for teaching school grants of which the conditions have not yet been fulfilled and trip income for the following year.		
18	CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2024	2023
		£000	£000
	Sinking Fund	-	79
		<u>-</u>	<u>79</u>

NORTH EAST LEARNING TRUST
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19 FUNDS

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2024 £000
Restricted general funds					
General Annual Grant (GAG)	(395)	46,715	(47,146)	826	-
Pupil Premium	(2)	2,641	(2,641)	2	-
Other government grants	797	6,648	(6,605)	(79)	761
Pension reserve	(1,912)	(58)	210	571	(1,189)
	<u>(1,512)</u>	<u>55,946</u>	<u>(56,182)</u>	<u>1,320</u>	<u>(428)</u>
Restricted fixed asset funds					
Transfers in	92,456	21,668	-	-	114,124
DfE/ESFA capital grants	(1,092)	1,515	(5,606)	-	(5,183)
Capital expenditure from GAG	3,415	-	-	745	4,160
Gain/(disposal) of fixed assets	(56)	-	-	-	(56)
Donations	35	-	-	-	35
	<u>94,758</u>	<u>23,183</u>	<u>(5,606)</u>	<u>745</u>	<u>113,080</u>
Total restricted funds	<u>93,246</u>	<u>79,130</u>	<u>(61,788)</u>	<u>2,065</u>	<u>112,652</u>
Unrestricted funds					
General	6,022	4,564	(2,380)	(1,623)	6,583
Sinking fund	-	275	-	129	404
Total unrestricted funds	<u>6,022</u>	<u>4,839</u>	<u>(2,380)</u>	<u>(1,494)</u>	<u>6,987</u>
Total funds	<u>99,268</u>	<u>83,968</u>	<u>(64,168)</u>	<u>571</u>	<u>119,639</u>

Analysis of movement in funds – previous year

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2023 £000
Restricted general funds					
General Annual Grant (GAG)	1,237	42,948	(42,591)	(1,989)	(395)
Start Up Grant	-	-	-	-	-
Pupil Premium	(2)	2,501	(2,501)	-	(2)
Other government grants	640	5,407	(5,249)	-	797
Pension reserve	(5,109)	-	(534)	3,730	(1,912)
	<u>(3,234)</u>	<u>50,856</u>	<u>(50,875)</u>	<u>1,741</u>	<u>(1,512)</u>
Restricted fixed asset funds					
Transfers in	92,456	-	-	-	92,456
DfE/ESFA capital grants	1,408	1,917	(4,417)	-	(1,092)
Capital expenditure from GAG	1,426	-	-	1,989	3,415
Gain/(disposal) of fixed assets	-	-	-	(56)	(56)
Donations	35	-	-	-	35
	<u>95,325</u>	<u>1,917</u>	<u>(4,417)</u>	<u>1,933</u>	<u>94,758</u>
Total restricted funds	<u>92,091</u>	<u>52,773</u>	<u>(55,292)</u>	<u>3,674</u>	<u>93,246</u>
Total unrestricted funds	<u>5,422</u>	<u>2,581</u>	<u>(1,981)</u>	<u>-</u>	<u>6,022</u>
Total funds	<u>97,513</u>	<u>55,354</u>	<u>(57,273)</u>	<u>3,674</u>	<u>99,268</u>

**NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

19 FUNDS (continued)

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

General Annual Grant must be used for the normal running costs of the Academy and the intention is to utilise remaining GAG for planned capital projects.

Restricted fixed asset funds represent the valuation of all Trust schools (excluding The Academy at Shotton Hall as PFI school) land and buildings as at the transfer date less accumulated depreciation.

Analysis of academies by fund balance

Fund Balance as of 31st August 2024 were allocated as follows:

	2024	2023
	£'000	£'000
The Academy at Shotton Hall	2,145	2,201
Teaching school	460	456
Shotton Hall SCITT	293	282
	<u>2,898</u>	<u>2,939</u>
Brownley Primary Academy	181	115
Teesdale Academy	(881)	(567)
Easington Academy	617	748
Sacriston Academy	224	261
Diamond Hall Junior Academy	576	431
Ashington Academy	1,516	1,771
Bedlington Academy	441	4
Rye Hills Academy	(265)	(185)
Hermitage Academy	702	788
Meadowdale Academy	(37)	3
North East Learning Trust (central services)	281	114
Middleton in Teesdale Academy	125	-
Biddick Academy	1,370	-
Total before fixed assets and pension reserve	<u>7,748</u>	<u>6,422</u>
Restricted fixed asset fund	113,080	94,758
Pension reserve	(1,189)	(1,912)
Total	<u>119,639</u>	<u>99,268</u>

Schools in deficit, remain in financial recovery simply due to financial position inherited at the point of transfer. Teesdale Academy achieved Outstanding status post transfer, educational outcomes continue to improve, supported by consistent student number growth, however the school accommodation requires significant investment to improve and maintain school buildings and facilities. Since transfer to the Trust Rye Hills academy and Meadowdale Academy is showing signs of recovery through improved performance, student number growth and effective financial management.

NORTH EAST LEARNING TRUST
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19 FUNDS (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs excluding depreciation	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
The Academy at Shotton Hall	6,026	700	455	2,212	9,393	8,605
Browney Primary Academy	704	127	35	161	1,027	920
Shotton Hall SCITT	76	35	8	54	173	598
Teaching School	548	75	140	185	948	460
Teesdale Academy	3,381	624	256	732	4,993	4,420
Easington Academy	4,161	839	482	679	6,161	5,316
Sacriston Academy	896	194	35	204	1,329	1,099
Diamond Hall Junior Academy	1,349	299	62	357	2,067	1,866
Ashington Academy	4,891	809	356	1,053	7,109	6,370
Bedlington Academy	3,787	637	322	787	5,535	5,202
Rye Hills Academy	4,020	906	353	805	6,084	5,573
Hermitage Academy	5,307	995	408	692	7,402	6,854
Meadowdale Academy	829	253	39	198	1,319	1,411
Middleton in Teesdale Academy	197	44	33	68	342	-
Biddick Academy	970	122	77	220	1,389	-
NELT (Central Services)	1,691	398	18	1,185	3,292	4,162
The Trust	38,833	7,059	3,079	9,592	58,563	52,856

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Fund	Total 2024
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	109,915	109,915
Intangible fixed assets	-	-	35	35
Current assets	6,987	6,524	3,130	16,641
Liabilities	-	(5,763)	-	(5,763)
Pension liability	-	(1,189)	-	(1,189)
Total net assets	6,987	(428)	113,080	119,639

NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
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20 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Analysis of movement in funds – previous year

	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Fund	Total 2023
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	91,210	91,210
Intangible fixed assets	-	-	44	44
Current assets	6,022	6,445	3,504	15,971
Current liabilities	-	(5,966)	-	(5,966)
Non current liabilities	-	(79)	-	(79)
Pension liability	-	(1,912)	-	(1,912)
Total net assets	6,022	(1,512)	94,758	99,268

21 CAPITAL COMMITMENTS

	2024 £'000	2023 £'000
Contracted for but not provided for in the financial statements	126	923

22 FINANCIAL COMMITMENTS

At 31 August the Academy Trust had annual financial commitments as follows:

	2024 £'000	2023 £'000	2024 £'000	2023 £'000
	Other	Other	Land & building	Land & building
Expiring within one year	92	92	568	591
Expiring within two and five years inclusive	368	368	2,035	1,986
Expiring in over five years	1,202	1,294	3,933	4,461
	1,662	1,754	6,806	7,038

One contract expires in 2036 and the other 2041.

The above is in relation to maintenance agreements (at Bedlington) and capital contributions in respect of the Shotton Hall property.

23 ULTIMATE CONTROLLING PARTY

The Academy is a charitable company limited by guarantee, has no share capital and is controlled by its members.

**NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

24 RELATED PARTY TRANSACTIONS

During the year the Trust entered into transactions with Apollo Schools Trust. All transactions involving this organisation are conducted in accordance with the requirements of the AFH, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Apollo Schools Trust – a company in which North East Learning Trust is a sponsor and shares a common Chair:

Income related party transactions

During the year the Trust provided finance support to Apollo Schools Trust. The value of the transaction was £24k (2023: £11k).

Expenditure related party transactions

Apollo Schools Trust have provided specialist social, emotional and mental health (SEMH) alternative provision education, for a number of students, where educational needs are specifically tailored to support student wellbeing and outcomes. The total value of the transactions was £170k (2023: £179k). All charges were at cost charged under a service level agreement.

In entering the transaction, the Academy Trust has complied with the requirements of the Academies Trust Handbook.

25 a RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2024	2023
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	19,800	(1,919)
Adjusted for:		
Depreciation and Amortisation [note 13 and 14]	5,606	4,417
Capital grants from DfE and other capital income	(1,515)	(1,917)
Interest receivable [note 6]	(3)	(1)
Transfers of existing academies into the Trust	(23,476)	-
Defined benefit pension scheme cost less contributions payable [note 29]	(236)	352
Defined benefit pension scheme finance cost [note 29]	26	182
(Increase)/decrease in stocks	(3)	7
(Decrease)/increase in debtors	904	(603)
(Decrease)/increase in creditors	(639)	868
	<u>462</u>	<u>1,386</u>
Net cash provided by / (used in) Operating Activities		
b Cash flows from investing activities		
	2024	2023
	£000	£000
Interest	3	1
Purchase of tangible fixed assets	(2,749)	(2,411)
Capital grants from DfE/ESFA	1,515	1,917
	<u>(1,231)</u>	<u>(493)</u>
Net cash provided by investing activities		

**NORTH EAST LEARNING TRUST
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c Cash flows from financing activities

	2024	2023
	£000	£000
Salix loan repayment	<u>-</u>	<u>(3)</u>

d Analysis of cash and cash equivalents

	At	At
	31 August	31 August
	2024	2023
	£000	£000
Cash in hand and at bank	<u>13,452</u>	<u>12,339</u>

26 ANALYSIS OF CHANGE IN NET FUNDS

	At		Cash	Cash on	Non	At
	31 August		flows	Acquisition	cash	31 August
	2023		£000	£000	£000	2024
	£000		£000	£000	£000	£000
Cash in hand and at bank	12,339		(769)	1,882	-	13,452
Debt due within 1 year	-		-		-	-
Debt due in more than 1 year	(79)		79		-	-
	<u>12,260</u>		<u>(690)</u>	<u>1,882</u>	<u>-</u>	<u>13,452</u>

**NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
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27 TRANSFER FROM LOCAL AUTHORITY ON CONVERSION

On 1st April 2024 Middleton in Teesdale Academy converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to North East Learning Trust from Durham County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as donation – transfer from local authority on conversion.

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

Middleton in Teesdale Academy	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Freehold land and buildings	-	1,390	1,390
Furniture and equipment	-	-	-
Current assets			
Stock	-	-	-
Debtors due in less than one year	-	-	-
Cash in bank and in hand	212	-	212
Liabilities			
Creditors due in less than one year	-	-	-
Pensions			
Pension scheme liabilities	-	(58)	(58)
Net assets/ (liabilities)	212	1,332	1,544

Net assets transferred in:	Unrestricted Funds £000	Restricted General Fund £000	Fixed asset Fund £000	Total 2024 £000
Fixed assets	-	-	1,390	1,390
Current assets	-	-	-	-
Cash	187	-	25	212
Current Liabilities	-	-	-	-
Pensions	-	(58)	-	(58)
	187	(58)	1,415	1,544

**NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
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28 TRANSFER OF EXISTING ACADEMY INTO THE TRUST

On 1st July 2024 Biddick Academy joined North East Learning Trust and all the operations and assets and liabilities were transferred to North East Learning Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities (SOFA) as donation – transfer of existing academy.

The following table set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

Biddick Academy	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Leasehold land and buildings	15,405	4,358	19,763
Furniture and equipment	177	-	177
ICT	242	(20)	222
Vehicles			
Current assets			
Stock	-	-	-
Debtors due in less than one year	457	-	457
Cash in bank and in hand	1,670	-	1,670
Liabilities			
Creditors due in less than one year	(357)	-	(357)
Pensions			
Pension scheme liabilities	-	-	-
Net assets/ (liabilities)	17,594	4,338	21,932

Net assets transferred in:	Unrestricted Funds £000	Restricted General Fund £000	Fixed asset Fund £000	Total 2024 £000
Fixed assets	-	-	20,162	20,162
Current assets	457	-	-	457
Cash	1,580	-	91	1,671
Current Liabilities	(357)	-	-	(357)
Pensions	-	-	-	-
	1,680	-	20,253	21,933

**NORTH EAST LEARNING TRUST
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29 PENSIONS AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Durham County Pension Fund (on behalf of the following Trust Academies Browney, Easington, Sacriston, Shotton Hall, Teesdale and Hermitage), Tyne and Wear Pension Fund (on behalf of the following Trust Academies Ashington, Bedlington, Meadowdale and Diamond Hall), Teesside Pension Fund (on behalf of Rye Hills Academy). Both principal pension schemes are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period 31 March 2020 and of the LGPS 31 March 2022.

There were no outstanding or prepaid contributions at the end of the financial period.

The LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the transfer in from another academy trust who were already members of the scheme and new employees who were eligible to and did join the Scheme whose cumulative retirement benefit was transferred to the Academy Trust in the year. The obligation in respect of employees who transferred represents their cumulative service to the date of transfer.

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 teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out below the information available on the scheme.

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 2023 published by HM Treasury every 4 years. The aim of the review is to ensure 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 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published by the Department for Education on 27 October 2023. The key elements of the valuation outcome are:

- Total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI) (this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 1 April 2028 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

The employer's pension costs paid to TPS in the period amounted to £6,045k (2022/23: £4,943k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

**NORTH EAST LEARNING TRUST
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29 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy 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 academy trust has set out above, the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2024 was £2,286k (2023: £2,137k) of which employer's contributions totalled £1,726k (2023: £1,653k) and employee's contributions totalled £560k (2023: £484k). The agreed contribution rates for future years vary between Pension fund from 17.5% to 19.5% for employers with annual additional contributions of £0k (2023: £11k) to fund the scheme deficit.

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.

Principal actuarial assumptions

Pension Fund	Durham		Tyne & Wear		Teesside	
	2024	2023	2024	2023	2024	2023
Rate of increase in salaries	3.5%	3.6%	4.0%	4.1%	3.65%	3.95%
Pension increases	2.5%	2.6%	2.5%	2.6%	2.65%	2.95%
Discount rate	4.9%	5.0%	4.9%	5.1%	5.00%	5.20%
Inflation (CPI)	2.5%	2.6%	2.5%	2.6%	2.65%	2.95%

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

Pension Fund	Durham		Tyne & Wear		Teesside	
	2024	2023	2024	2023	2023	2023
Retiring today:						
Males	21.5	21.7	20.8	21.0	20.4	20.5
Females	23.8	23.9	24.0	24.1	23.4	23.5
Retiring in 20 years:						
Males	22.4	22.9	21.7	22.2	21.2	21.3
Females	24.6	25.0	25.1	25.5	24.9	25.0

NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
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29 PENSIONS AND SIMILAR OBLIGATIONS (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2024 £'000	Fair Value at 31 August 2023 £'000
Equities	20,359	14,149
Property	3,744	2,683
Government bonds	1,939	1,662
Corporate bonds	4,796	3,066
Cash	564	560
Other	6,101	4,319
TOTAL MARKET VALUE OF ASSETS	37,503	26,439
Present value of scheme liabilities	<u>(36,215)</u>	<u>(27,426)</u>

The actual return on scheme assets was £470k (2022: loss of £1,257k).

	2024 £000	2023 £000
Current service cost	(1,449)	(1,979)
Past service cost	-	(26)
Net interest cost	(26)	(182)
Total operating charge	<u>(1,475)</u>	<u>(2,187)</u>

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

	2024 £000	2023 £000
At 1 September	27,426	29,675
Transfers	5,769	0
Current service cost	1,449	1,979
Past service cost	-	26
Interest cost	1,442	1,223
Employee contributions	547	494
Actuarial (gain)/loss	119	(5,226)
Benefits paid	(537)	(745)
	<u>36,215</u>	<u>27,426</u>

Changes in the fair value of academy's share of scheme assets:

	2024 £000	2023 £000
At 1 September	26,439	29,675
Transfers	6,753	0
Interest income	1,439	1,979
Actuarial gain/(loss)	1,177	(571)
Employer contributions	1,685	1,653
Employee contributions	547	494
Changes in effect of asset ceiling	-	(-)
Benefits paid	(537)	(745)

**NORTH EAST LEARNING TRUST
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At 31 August	37,503	26,439
Reconciliation of pension assets and liabilities recognised in the balance sheet:		
	2024	2023
	£000	£000
Fair value of employer assets	37,503	26,439
Present value of employer obligations	(36,215)	(27,426)
Asset ceiling adjustment	(2,477)	(925)
At 31 August	(1,189)	(1,912)

Asset Ceiling

The value of the academy trust's share of net assets of the LGPS Teesside pension has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

The Academy Trust is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

30 AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2024 the trust received £56k (2023: £56k) and disbursed £19k (2022: £40k) from the fund. An amount of £157k (2023: £120k) is included in other creditors relating to undistributed funds that is repayable to ESFA.

31 MEMBERS LIABILITY

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

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 18 December 2024 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by North East Learning Trust during the period 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.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2023 to 31 August 2024 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard and the ethical pronouncements of the ICAEW. We also apply International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly maintain comprehensive systems of continuing quality management. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of North East Learning Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of North East Learning Trust's funding agreement with the Secretary of State for Education dated 29 August 2019 and the Academy Trust Handbook extant from 1 September 2023, for ensuring that expenditure disbursed and income received are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of North East Learning Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academy Trust Handbook 2023 published by the Education and Skills Funding Agency and high level financial control areas where we identified a risk of material irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

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

Use of our report

This report is made solely to North East Learning Trust and the ESFA in accordance with the terms of our engagement letter dated 18 December 2024. Our work has been undertaken so that we might state to the North East Learning Trust and the 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 North East Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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