

Company Registration Number: 07189647 (England & Wales)

---

**NORTHERN EDUCATION TRUST**

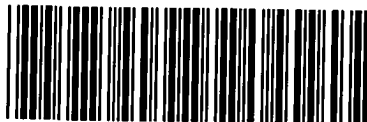
(A company limited by guarantee)

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2023**

FRIDAY



\*ACIXARNL\*

A17

22/12/2023

#193

COMPANIES HOUSE

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

**CONTENTS :**

	Page
Reference and administrative details	1
Trustees' report	2 - 19
Governance statement	20 - 26
Statement of regularity, propriety and compliance	27
Statement of trustees' responsibilities	28
Independent auditor's report on the financial statements	29 - 31
Independent reporting accountant's report on regularity	32 - 33
Statement of financial activities incorporating income and expenditure account	34
Balance sheet	35
Statement of cash flows	36
Notes to the financial statements	37 - 71

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

---

<b>Members</b>	M Sanders C Roberts G Shearer C Harder (resigned 31 March 2023) B Trafford A Kilburn (appointed 1 April 2023)
<b>Trustees</b>	M Sanders, Chairman <sup>3</sup> T Grieveson, Deputy Chair <sup>2,3</sup> R Tarn, Chief Executive <sup>1,2,3</sup> C Roberts, Vice Chair <sup>3</sup> S Duncan <sup>2</sup> J Copping <sup>1,3</sup> J Kelly <sup>1</sup> J Heaton <sup>2</sup> N Barker <sup>1</sup> R Flack (appointed 4 October 2023)  <sup>1</sup> members of the Audit and Risk Committee <sup>2</sup> members of the Curriculum, Standards and Welfare Committee <sup>3</sup> members of the Continuity and Resilience Committee
<b>Company registered number</b>	07189647
<b>Company name</b>	Northern Education Trust
<b>Principal and Registered Office</b>	Thorp Academy Main Road, Ryton Tyne and Wear NE40 3AH
<b>Company Secretary</b>	G Edmunds (resigned 21/02/2023) J Mitchell (appointed 21/02/2023)
<b>Accounting Officer</b>	R Tarn
<b>Trust Corporate - Senior Management Team</b>	R Tarn, Chief Executive and Accounting Officer J Wilson, Deputy Chief Executive Officer G Edmunds, Chief Operating (and Financial) Officer (resigned 21/02/2023) J Mitchell, Acting Chief Operating Officer (appointed 21/02/2023) G Lee, Acting Chief Financial Officer (appointed 21/02/2023) A Jordon, Senior Executive Principal M Robson, Senior Executive Principal D Murphy, Senior Executive Principal
<b>Independent auditor</b>	RSM UK AUDIT LLP, Statutory Auditor Chartered Accountants Central Square, 5th Floor, 29 Wellington Street, Leeds LS1 4DL
<b>Bankers</b>	Barclays Bank Teesdale Business Park Stockton on Tees TS17 6YG
<b>Solicitors</b>	Ward Hadaway 102 Quayside Newcastle Upon Tyne NE1 3DX

---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2023**

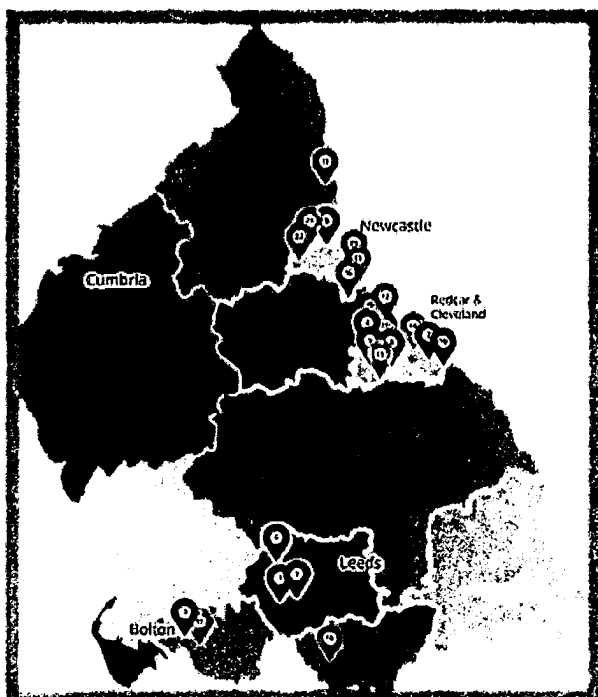
---

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Northern Education Trust (NET) was formed in 2012. In eleven years it has grown from a single academy to ten primary academies and twelve secondary academies as at 31 August 2023 which are located in three areas:

1. North East England conurbations of Tyne-Wear and Tees Valley
2. Yorkshire conurbations of the Aire-Calder-Deane Valleys
3. Bolton-Manchester conurbation

The map below outlines the location of the trust's academies and also includes the addition of a new academy that transferred into the trust as at 1st September 2022, this is Hetton Academy. In addition to this, Farringdon Community Academy has also been included from 1st September 2023.



**Primary Academies**

1. Abbey Park Primary Academy (APA)
2. Badger Hill Primary Academy (BHA)
3. The Ferns Primary Academy (TFA)
4. Frederick Nattrass Primary Academy (FNA)
5. Hilton Primary Academy (HA)
6. Merlin Top Primary Academy (MTA)
7. Mount Pellon Primary Academy (MPA)
8. Norton Primary Academy (NA)
9. The Oak Tree Primary Academy (OTA)
10. Whitecliffe Primary Academy (WA)

**Secondary Academies**

11. The Blyth Academy (TBA)
12. Dyke House Academy (DHA)
13. Farringdon Community Academy (FCA)
14. Friesbrough Academy (FA)
15. The Grangefield Academy (TGA)
16. Hatton Academy (HTA)
17. Kearsley Academy (KA)
18. Kirk Balk Academy (KBA)
19. Manor Community Academy (MCA)
20. North Shore Academy (NSA)
21. Red House Academy (RHA)
22. Thorp Academy (TA)
23. Walbottle Academy (WBA)

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

Going forward the trust wishes to work with schools and trusts who have a similar ethos of placing children at the forefront of all decision making. The trust will not sponsor schools where key stakeholders and the local community are not supportive of the trust's vision and potential sponsorship. Ideally, growth will only be considered in the North East of England to enable the trust to make the most efficient and effective use of current resources and further improve the outcomes and life chances of children.

Trustees have discussed and considered a growth strategy for the trust which in summary aims to increase the number of academies in the areas outlined, whilst scaling up without compromising quality. Given the geographical challenges of sharing resources across the trust, in deciding about growth at either phase, trustees have considered school improvement and corporate capacity alongside the geographical cluster and detailed due diligence undertaken by directors, executive team members and trust advisors.

The trust has a combined pupil capacity of 17,155 and 14,668 on roll at its primary and secondary academies in the school census dated October 2022. Student numbers have risen over the medium term and the rapidly improving performance of academies means an increase in student numbers are forecast across the trust.

In 2017/18 the new CEO, with the support of trustees, introduced a new vision, values and shortened tag-line of "Outcomes Focused, Child Centred". Over the last six academic years, NET has continued to implement the NORTHERN model of school improvement and now has further capacity, skill and expertise to plan and deliver greater rapid school improvement in even the most challenging of contexts. Inclusivity is embedded in the NORTHERN model with mechanisms to support the most vulnerable child to succeed and overcome barriers to learning. The impact of the new vision and developments in school improvement is evidenced in the 2023 results and Ofsted judgements across both primary and secondary phases. All academies inspected by Ofsted are now judged as good or outstanding, as outlined in the table below (with previous judgements shown as a comparative):

	Previous judgement	Current judgement
<b>Primary Academies</b>		
Hilton Primary Academy		
Frederick Nattrass Primary Academy	2	2
The Ferns Primary Academy	2	2
Whitcliffe Primary Academy	2	2
Badger Hill Primary Academy	2	2
Abbey Park Primary Academy	2	2
Merlin Top Primary Academy	3	
The Oak Tree Primary Academy	3	2
Norton Primary Academy	3	2
Mount Pellon Primary Academy		2
<b>Secondary Academies</b>		
Dyke House Academy	2	
Grangefield Academy	2	
North Shore Academy	3	
Kearsley Academy	3	2
Kirk Balk Academy	3	2
Manor Community Academy	3	2
Thorp Academy	3	2
Blyth Academy	3	2
Red House Academy		2
Freebrough Academy		
Walbottle Academy		2
Hetton Academy	3	Not Inspected

**Key:**

1. Outstanding
2. Good
3. Requires Improvement
4. Inadequate

Please note that Hetton Academy has not been inspected as a Northern Education Trust academy.

**Structure, Governance and Management**

**Constitution**

NET is a company limited by guarantee (incorporated in June 2010) and an exempt charity. The charitable company's memorandum and articles of association (1<sup>st</sup> April 2020) are the primary governing documents of the trust. The NET trustees are also the directors of the charitable company for the purposes of company law. The charitable company is known as Northern Education Trust.

**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.

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

**Trustees Indemnities**

Subject to the provision of the Companies Act 2006, every trustee and officer is indemnified against any liability incurred by them in their capacity in defending any proceedings whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of Northern Education Trust. The insurance purchased for the trust provides cover up to £5 million on an annual aggregate limit basis.

**Method of Recruitment and Appointment or Election of Trustees**

The types of trustees and their recruitment, term and appointment is set out within the Articles of Association and Scheme of Delegation. The members of the trust comprise of:

1. M Sanders
2. A Kilburn
3. C Roberts
4. G Shearer
5. B Trafford

The majority of members should not also be trustees. The Members may appoint up to eleven trustees through such process as they may determine.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

During the year the trust has continued to undertake a comprehensive review of its governance structure, membership to the board (and sub-committees) and its recruitment, and commitment to continuously develop trustees. Using the DfE best practice documents (Governance Handbook 2019 and Competency Framework for Governance 2017) a self-assessment has previously been developed that all trustees have completed and now forms part of any new trustee induction. A training programme was developed and implemented in early 2021 to support and develop trustees going forward. This is supported by the NET Staff College. NET Staff College offers a range of high quality leadership and teaching and learning CPD programmes and courses across the North of England, including providing bespoke school CPD packages.

A new trustee handbook and academy council representative handbook has been devised to ensure that all those appointed to governance positions receive copies of relevant policies, procedures, training, and relevant information about the role they hold and the accountability they have. They also receive the appropriate minutes, financial statements and other key documents they require to undertake their role effectively as trustees.

Trustees as part of the governance review recognised the need to further strengthen the links between the trust board and its sub-committees and each local academy council. An additional link role has been introduced for Information Governance at trust board level only. This enables the Senior Information Risk Owner (SIRO) who chairs the Information Governance Steering Group (IGSG) to report directly to the Chair of ARC who has taken on this new link role.

Regularity and HR link roles are retained at trust board level only based on the terms of reference for the board and its sub-committees.

Standards, Safeguarding/Prevent, SEND, Health and Safety and Estates, Careers and Information Governance link roles continue to be established at both board and academy council level. Training is facilitated specifically around these roles and annual conferences take place focusing on statutory requirements and sector best practice.

**Organisational Structure**

The governance structure of the trust is on two levels: The trust board and its subcommittees (including Local Academy Councils).

The trust board is responsible for the strategic decision making of the trust. The trust board of directors is responsible for ensuring that high standards of educational outcomes for students and corporate governance are maintained. It exercises its powers and functions by addressing such matters as school improvement, safeguarding, governance, policy and strategy development, financial reporting and planning, monitoring and reviewing all areas of performance and making longer-term decisions about the direction of the trust and senior staff appointments.

**The Trust Board's Responsibilities are:**

- Strategic leadership: the board defines the trust vision for high quality and inclusive education in line with its charitable objectives. It establishes and fosters the trust's culture and sets and champions the trust strategy including determining what governance functions are delegated to the local academy council
- Accountability and assurance: the board has robust effective oversight of the operations and performance, including the provision of education, pupil welfare, overseeing and ensuring appropriate use of funding and effective financial performance and keeping the estate safe and well maintained
- Engagement: the board has strategic oversight of relationships with stakeholders. The board involves parents, schools and communities so that decision-making is supported by meaningful engagement.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The trust has determined its key management personnel as the members of the trust executive team led by its chief executive. The trust executive team have authority and responsibility for (directly or indirectly) planning, directing and controlling the day to day activities of the trust. The members of this team are shown below:

- |              |                                                |
|--------------|------------------------------------------------|
| 1. R Tam CBE | Chief Executive Officer and Accounting Officer |
| 2. J Wilson  | Deputy Chief Executive Officer                 |

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

3. G Edmunds	Chief Operating (and Financial) Officer and Trust Secretary (seconded 21/02/2023)
4. J Mitchell	Acting Chief Operating Officer and Trust Secretary (appointed 21/02/2023)
5. G Lee	Acting Chief Financial Officer (appointed 21/02/2023)
6. A Jordon	Senior Executive Principal
7. M Robson	Senior Executive Principal
8. D Murphy	Senior Executive Principal

During the year, the Chief Operating and Financial Officer was offered a secondment to another trust as acting Chief Executive. The arrangement allowed for the Deputy Chief Operating Officer to act as the Chief Operating Officer and Trust Secretary and the Director of Finance and Procurement to act as the Chief Financial Officer. The Director of Finance and Procurement underwent a rigorous interview process with the Senior Management Team and the chair of the Audit and Risk Committee to confirm suitability for the role against the requirements of the Academy Trust Handbook.

Remuneration of key management personnel is considered and determined by the trust board. The trust continues in part to manage the remuneration of key management personnel using salary benchmarking. This benchmarking considers trusts both locally and nationally based on their similar size, educational performance and/or financial performance. Trustees received at both audit and risk committee and trust board reports regarding remuneration. Trustees continue to seek assurance in the remuneration of key management personnel and are committed to a similar exercise once 2022/23 audited financial statements are published.

The above list has been expanded from previous years to include the addition of the Senior Executive Principal role and the increase in cost of the Key Management Personnel will be reflected in note 9.

**Trade Union Facility Time**

Under the provision of the trade union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in schedule 2 of the Regulations. The information to be published consists of four tables covering:

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period (Head count)	Full time equivalent employee number
15	14.48

**Percentage of time spent on facility time**

Percentage of working hours spent on facility time	Number of employees
0%	4
1-50%	11
51%-99%	0
100%	0

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

Provide the total cost of facility time	£36,348.05
Total pay bill	£70,051,944
Percentage of pay spent on facility time	0.05%

**Paid trade union activities**

Percentage of total paid facility time hours spent on paid TU activities	0.10%
--------------------------------------------------------------------------	-------

**Related Parties and Other Connected Charities and Organisations**

NET was formed in June 2012 and sponsored by Northern Education Associates (NEA) at the time. The trust is responsible and accountable for the performance of its academies and has a funding agreement with the ESFA with further supplemental funding agreements for each academy it then sponsors. With effect from the 31<sup>st</sup> August 2014 there continued to be no related party transactions between NET and NEA. In 2020, the founder of NEA and founder and chair of NET resigned from the trust board and as a member, and a new chair with no association to NEA took up the role.

During the year Gareth Edmunds, Chief Operating and Financial Officer, was given the opportunity of a secondment to Harbour Learning Trust as Chief Executive and Accounting Officer. The required authorisations for this arrangement were obtained from the DFE and the secondment began 21<sup>st</sup> February 2023 and continued for the rest of the financial year.

Related Party Transactions involving trustees are set out in note 30.

**Streamlined Energy and Carbon Reporting**

Please see page 18 within the Strategic Report for disclosures in connection with Streamlined Energy and Carbon Reporting.

**Engagement with Employees (Including Disabled Persons)**

---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

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

---

Northern Education Trust recognises the importance of effective communication with all key stakeholders. The trust board has approved a communication strategy which identifies key stakeholders and shares the continually improving performance, successes and the trust vision and values. This strategy enables staff to focus on the core business of educating the children and young people the trust serves, thereby improving their life chances. At a strategic level, the Chief Executive holds executive team meetings with senior leaders and in addition the Deputy Chief Executive Officer holds primary executive team meetings. At an academy level, senior leadership team meetings, staff briefings and learning and performance sessions are held weekly. Academy network meetings are held regularly where senior leaders representing every academy and members of the corporate team meet to share best practice and update on developments in their area. Performance data on student outcomes is shared, discussed and challenged at these meetings.

The trust works closely with recognised trade unions and the Joint Consultative Committee (JCC) meets at least termly. The Chief Executive chairs this meeting and changes to working practices are discussed and negotiated. A separate policy meeting is held with Human Resources to consult on new and revised HR policies. A recognition agreement, signed by unions and the trust, outlines the principles under which consultation and negotiation will take place. A number of initiatives have been implemented to reduce workload for teaching staff, and union representatives often use NET as an example of best practice nationally.

NET recognises, respects and values diversity in the workforce and is committed to promoting and achieving equality of opportunity. How this is achieved is articulated in the trust equality policy. In addition, the Recruitment and Selection Policy outlines how the trust adheres to the Equality Act, ensuring all relevant equal opportunities legislation is adhered to and that all applicants and appointees are not discriminated against on the grounds of any protected characteristic. Reasonable adjustments are put in place to support potential candidates through the recruitment process and into employment. Support for employees who experience health concerns is available via the Employee Assist Programme and Occupational Health.

A Workload Action Group has been set up chaired by different members of the executive team, to consider the workload of different groups of support staff, and implement practical solutions where possible. Staff groups have been invited to this meeting and sent questionnaires to complete to inform the process. Actions agreed by the executive as a result of this work are fed back to the staff involved. As a result of this, improved workload has been recognised by the unions in teaching, data management and business managers whilst the Trust continues to review other roles.

Staff newsletters are also circulated termly, articulating trust developments, new initiatives, and good news stories. A CEO letter is also issued at the end of each term, thanking staff for their hard work and updating them on general issues.

**Engagement with Suppliers, Customers and Others in a Business Relationship with the Trust**

The trust continues to work and communicate with suppliers to ensure a strong and sustainable relationship is built. The trust has engaged with suppliers throughout the year in the form of continuous verbal communications and letters outlining the trust stance on purchase orders, fraud awareness and Modern Slavery, keeping suppliers informed of policy changes and changes in systems, processes and financial regulations. As a result of this, the Trust continues to enjoy strong working relationships with its suppliers. The Trust has strengthened its controls around purchase orders and new supplier checks as a result of this reducing the risk of fraud.

The role of the trust procurement and contracts manager and the implementation of E-Delta, a corporate system to manage procurement, allows for communication and transparency with suppliers throughout the tender processes. Further to this, the procurement and contract managers role is to ensure greater probity, engage with suppliers, deliver further value for money and contract manage where appropriate.

In most instances, the trust defines its commercial customer base as those that use its lettings facilities. The trust has implemented a school hire system that allows customers to book facilities online and pay for the hire all in one transaction, simplifying the management of the operation. The trust can communicate to its customers through the system and there a links to this through the trust website.

The trust development plan has a specific target related to community and stakeholder engagement. A budget of £1,000 per academy has been created specifically for use for community engagement. The academy council determine how best to use the funds to engage with their local community.

The stakeholder survey mentioned above which is sent to staff is also issued to students, with questions differentiated for different age groups in the primary and secondary phase. For the first time ever, this has also been issued to local authority directors of children services, to ascertain their views on trust performance in academies in their region. For parents/carers, responses from Parent View are captured for all academies. Responses from all the surveys are analysed and presented to trust board, where appropriate actions are considered and undertaken as a result of that analysis. Again, results are also shared at local level at academy council meetings.

**Objectives and Activities**

**Objectives and Aims**

The Articles of Association clearly define the primary objective and activity of the trust as:

1. 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 schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age
2. to promote for the benefit of the inhabitants of the communities served by the Academies and the surrounding areas the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the objects of improving the condition of life of the said inhabitants.

The Northern Education Trust vision and shortened tag-line is;

"We constantly focus on standards as we understand outcomes are paramount. Our decision making is driven entirely by what is best for children. By



**'NORTHERN EDUCATION TRUST'**  
(A company limited by guarantee)

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

doing this we enhance the life chances of the children and young people in our care"

Outcomes Focused, Child Centred.

The NORTHERN Model of school improvement principles are:

1. No exceptions and no excuses
2. Outstanding leadership with integrity focused on outcomes, vision and values
3. Relentless focus on standards
4. Teaching and learning delivered and sustained to a high level in the classroom
5. High expectations in behaviour and staff performance
6. Enrichment in curriculum and beyond
7. Recruitment, Retention and Staff Development
8. Network development and system leadership

The 10 values which underpin our vision

1. We care passionately about the education and welfare of young people
2. We believe that all young people, irrespective of background or ability will be successful in our trust
3. We are not and will never be selective. We believe that local schools are for local children
4. We are always inclusive. Our mechanisms to support the most vulnerable child to succeed and overcome barriers to learning are a key aspect of our work
5. Our approach to education recognises that outcomes are paramount and also allows children to gain experiences and values which prepare them fully for life in modern Britain. This includes workplace skills and appropriate advice for future progression
6. We have high expectations of behaviour
7. We adopt the local authority admissions protocol and work closely with them
8. We would always wish to act in such a way that has a positive effect on a neighbouring school or community. We care passionately about children in all schools, not just our own
9. That all employees act with integrity and embrace the value that 'we are the trust'
10. We work regionally and nationally to develop approaches to MAT improvement that influence the wider school-led system

**Objectives, Strategies and Activities**

Northern Education Trust (NET) is a Company Limited by Guarantee (Exempt Charity) created under the provisions of the Academies Act 2010, as amended by the Education Act 2011. Its structure of governance is constituted under the articles of association. NET is an exempt charity by virtue of the Charities Act 2011.

The funding agreement between the Education and Skills Funding Agency (ESFA) and NET sets out the terms and conditions on which grants are made. The trust board is responsible for ensuring that conditions of the grant are met. As part of this process the trust is required to have in place sound financial systems and controls. These financial regulations form part of this overall system of accountability.

All academies in NET work closely with each other as a "family of schools". The strength of the trust comes from each academy individually and collectively to form a trust with one single vision and shared set of values. Together the trust works continuously to ensure that all young people, irrespective of need and starting point, receive an excellent education and wider opportunities.

The trust recognises the needs of all its pupils and students and its decision making is driven entirely by what is best for children. By doing this we enhance the life chances of the children and young people in our care. Meeting the needs of our most vulnerable and challenging children is a priority in all academies with close relationships with parents/carers developed and maintained as to further raise attainment, resilience and high standards of behaviour. The table below shows the headline data for pupils / students for the summer of 2023.

Primary Academy	NOR R-6	Girls %	Boys %	Pupil Premium %	Minority Ethnic Groups %	English as an Additional Language %	SEN Support %	SEN EHC %	School Deprivation Indicator
Abbey Park Academy	196	52%	48%	48%	9%	4%	17%	0.5%	0.30
Badger Hill Academy	138	52%	48%	27%	4%	1%	17%	0.0%	0.15
Frederick Nattrass Academy	203	48%	52%	68%	13%	6%	14%	2.5%	0.33
Hilton Academy	393	49%	51%	65%	37%	21%	20%	2.5%	0.34
Merlin Top Academy	309	50%	50%	63%	32%	18%	18%	2.6%	0.35
Mount Pellon Academy	300	45%	55%	48%	94%	72%	21%	2.7%	0.31
Norton Academy	319	45%	55%	48%	8%	2%	13%	2.2%	0.32
Oak Tree Academy	245	49%	51%	75%	19%	13%	25%	2.9%	0.44
The Ferns Academy	409	51%	49%	38%	44%	35%	17%	1.2%	0.31
Whitecliff Academy	90	49%	51%	60%	2%	1%	24%	2.2%	0.34

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

Secondary Academy	NOR	Girls%	Boys%	Pupil Premium %	Minority / Ethnic Groups %	English as an Additional Language %	SEN Support %	SEN EHC %	School Deprivation Indicator
Dyke House Academy	1325	49%	51%	44%	12%	9%	11%	1%	0.34
Freebrough Academy	815	49%	51%	35%	4%	1%	18%	4%	0.28
Hotton Academy	636	51%	49%	41%	5%	2%	15%	3%	0.27
Kearsley Academy	734	47%	53%	35%	23%	18%	13%	2%	0.25
Kirk Balk Academy	1334	49%	51%	26%	4%	1%	18%	3%	0.20
Manor Community Academy	1032	50%	50%	45%	4%	3%	16%	3%	0.33
North Shore Academy	736	49%	51%	52%	18%	12%	16%	2%	0.34
Red House Academy	425	51%	49%	50%	12%	6%	24%	1%	0.39
Thorp Academy	1423	49%	51%	22%	8%	2%	8%	2%	0.17
The Blyth Academy	787	49%	51%	48%	5%	3%	13%	3%	0.31
The Grangefield Academy	1014	45%	55%	43%	26%	16%	12%	2%	0.31
Walbottle Academy	1634	50%	50%	37%	22%	16%	9%	1%	0.26

The trust has developed and implemented through the scheme of delegation a number of consistent, system led models and processes to provide a culture that is both tight and deep in terms of how academies and senior leaders operate throughout the trust. Trustees recognise the actions that have been taken which include in summary:

1. Continued development of the NORTHERN Model of school improvement principles
2. A continued development of the delegations approved by the Scheme of Delegation in relation to statutory requirements, sector best practice and operational support to better meet the best needs of children and value for money.
3. Further enhance the curriculum across all academies to better meet the needs of children with a strong link to financial planning using the parameters of a bonus of 8% (bonus is a measure of teacher time above or below a reference line, historically, the reference line has been the teacher time required to give an average class size of 27) and 0.79 contact ratio (contact ratio is the percentage of time a teacher will spend in front of students as an average).
4. Continued support from trustees to drive school improvement and increase the number of Directors of Subject and Directors of Learning alongside other areas of school improvement.
5. With regards to outcomes for students, the trust uses the national benchmark for exam pass rates in 4+ and 5+ as a measure of its performance nationally, given the demographics of the academies for which the trust serves. However, the trust has aspirations to achieve 70% in 4+ and 50% in 5+ which it has done for each of the last two years on average.

During the year, the trust was subject to a MAT Summary Evaluation (MATSE) by OFSTED. The OFSTED visit was the second time the trust has been evaluated, the first being in 2016. The trust is the first MAT to receive two visits by OFSTED for this purpose. The purpose of a MATSE is for inspectors to explore the extent to which the trust is delivering high-quality education and improving pupils' achievement across the academies in the trust. The below is a summary of the OFSTED findings:

- Since the last focused review by Ofsted, trustees and other leaders have transformed how the trust operates
- Schools that have recently joined the trust have undergone monumental improvements that are life-changing for pupils and staff
- Of the trust's 22 schools, based across the north of England, six are 'outstanding' and 15 'good'. One school has yet to be inspected since joining
- Governance is strong. Trustees are highly skilled in their roles
- Leaders' vision that 'we are the trust' is exceptionally well understood and implemented by staff across all schools
- Leaders see the trust as 'one school over many sites. There is no real distinction between trust leaders and school leaders. Leaders at all levels are ambitious for pupils
- Overall, published outcomes across the trust are exceptionally strong
- Staff at all levels are effusive about working in the trust
- All leaders, abiding by the trust's mantra, are 'outcomes-focused, child centred.' They ensure that staff across the trust focus on the pupils and that they are successful in what they do
- In 2017, trust leaders needed to secure improvements quickly. Many ways of working across the trust were prescribed. Through exceptional leadership from the CEO and other leaders, staff are now much more able to contribute to trust policies and do so throughout the trust
- The work of the corporate teams across the trust, including finance, human resources, data and estates, is exceptional. They too use the NORTHERN model in their work. They help to ensure that leaders spend money well on improving facilities and educational resources in each school.

#### Public Benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commissions general guidance on public benefit.

#### STRATEGIC REPORT

##### Achievements and Performance

Trustees at the October Board meeting received the summer 2023 performance results for primary academies and secondary academies.

##### Primary

2023 will be the first year since 2019 that performance tables for the primary phase will be published.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

The table below summarises the Key Stage 2 (KS2) results for 2019, 2022 and 2023 for the trust and also nationally

Table (a)		2019		2022		2023	
Level	Subject	National	Trust All	National	Trust All	National	Trust All
EXS+	Reading	73%	71%	75%	80%	73%	77%
	Writing	78%	80%	69%	78%	71%	80%
	Maths	79%	77%	71%	79%	73%	83%
	RWM Combined	65%	66%	59%	71%	59%	73%
GDS	Reading	27%	18%	28%	24%	29%	31%
	Writing	20%	18%	13%	13%	13%	15%
	Maths	27%	20%	23%	22%	24%	22%
	RWM Combined	11%	7%	7%	5%	8%	6%

The 2023 results show a strong performance in KS2, with a 2pp increase on 2022 for combined and a 7pp increase on 2019. National for combined remained unchanged from 2022 to 2023 at 59% and the trust outperformed national averages in all areas at EXS+ and also for reading and writing at greater depth (GDS).

Academics with notable performances were:

1. Badger Hill – 93% combined EXS+ with 79% reading GDS. The average points score for reading was 114 and for maths 110 putting them in the top 12% and top 20% nationally.
2. Frederick Natrass – 89% for all subjects and combined EXS+ (this cohort were 81% disadvantaged).
3. Mount Pellon – achieved above national for the first time, with 64% combined EXS+ with 40% reading GDS.
4. Hilton – 73% combined EXS+ with 41% reading GDS (77% of this cohort were disadvantaged).
5. Norton – 78% combined EXS+.
6. The Ferns – 75% combined with 30% maths GDS.
7. Oak Tree – 73% combined EXS+.

The trust's performance of disadvantaged students was also strong with 69% achieving EXS+ combined compared with the national disadvantaged figure of 44%. The trust's cohort of 2023 had 59% disadvantaged, almost double the national average of 30%. The trust's disadvantaged students outperformed non-disadvantaged students nationally who achieved 66% combined EXS+. The trust's non-disadvantaged students achieved 78% EXS+ combined.

Table (b)	Reading	Writing	Maths
APA	-1.0	0.6	2.4
BHA	8.7	3.8	5.3
FNA	1.9	0.0	1.4
HA	1.3	2.4	1.0
MTA	0.1	1.3	0.8
MPA	5.0	3.5	5.2
NA	0.0	0.9	1.1
OTA	2.5	2.6	2.4
TFA	-0.7	2.8	1.4
WA	0.2	2.0	-1.0
Trust	1.7	-2.1	2.1

For the 2023 cohort, progress in reading was +1.7, in writing +2.1 and in maths +2.1. The most progress between KS1 and KS2 was made by Badger Hill, Mount Pellon and Oak Tree.

#### Key Stage 4

The tables below show Year 11 headline provisional results for summer 2023, along with historical results from 2017. Figures for 2020 and 2021 are not shown as they were based on centre-assessed and teacher-assessed grades respectively, and it has been recognised nationally that there was a degree of 'grade inflation' during those years. Therefore, figures for 2020 and 2021 are not directly comparable with externally examined or assessed courses. Figures for 2022 are taken from DfE's 'Find school and college performance data in England' website.

Data for 2023 is based on information from awarding bodies on GCSE results day. The figures are, therefore, provisional at this stage and do not take account of any requests for reviews of grading at student level. National averages are not expected to be published until late October.

In September 2022, Ofqual announced that they expect overall results in 2023 to be much closer to pre-pandemic years than results since 2020. This decision means that results in 2023 were expected to be lower than in 2022, and it may be more reasonable to use 2019 results as a baseline for comparative purposes rather than 2022.

The table below shows the percentage of Year 11 students who achieved a grade 5 or better in both English and maths in summer 2023, along with historical results from 2017. Eight of the twelve academics' results are at or above 2019, with improvements up to 34%, and the trust figure (50%) is three percentage points higher than 2019 (47%). The 2022 national average was 50%, but given the Ofqual announcement, the 2023 national average may fall back in line with 2019 (43%). Should that be the case, ten of the twelve academics would be above the national figure.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

English and Maths GCSEs 6+	2017	2018	2019	2022	2023
Blyth	18%	31%	48%	46%	38%
Dyke House	42%	42%	42%	51%	49%
Freebrough	25%	27%	26%	60%	60%
Grangefield	35%	61%	54%	54%	54%
Hetton	28%	28%	30%	43%	45%
Kearsley	29%	48%	53%	50%	49%
Kirk Balk	43%	56%	57%	54%	59%
Manor	32%	32%	41%	46%	49%
North Shore	30%	35%	38%	60%	49%
Red House	21%	23%	43%	56%	38%
Thorp	38%	54%	54%	69%	53%
Walbottle	16%	25%	20%	53%	48%
<b>Trust</b>	<b>33%</b>	<b>43%</b>	<b>47%</b>	<b>64%</b>	<b>50%</b>
<b>National</b>	<b>43%</b>	<b>43%</b>	<b>43%</b>	<b>60%</b>	

The table below shows the percentage of Year 11 students who achieved a grade 4 or better in both English and maths in summer 2023, along with historical results from 2017. Eight of the twelve academies' results are above 2019, with improvements up to 25%, and the trust figure (68%) is one percentage point higher than 2019 (67%). The 2022 national average was 69%, but given the Ofqual announcement the 2023 national average may fall back in line with 2019 (65%). Should that be the case, eight of the twelve academies would be above that figure.

English and Maths GCSEs 4+	2017	2018	2019	2022	2023
Blyth	32%	49%	64%	62%	58%
Dyke House	69%	64%	68%	70%	70%
Freebrough	48%	47%	50%	78%	75%
Grangefield	61%	76%	76%	73%	69%
Hetton	61%	50%	51%	66%	62%
Kearsley	42%	63%	65%	70%	63%
Kirk Balk	64%	73%	75%	76%	71%
Manor	52%	53%	61%	69%	70%
North Shore	50%	55%	63%	71%	69%
Red House	33%	45%	58%	76%	57%
Thorp	61%	71%	71%	82%	74%
Walbottle	37%	49%	42%	68%	63%
<b>Trust</b>	<b>53%</b>	<b>61%</b>	<b>67%</b>	<b>72%</b>	<b>68%</b>
<b>National</b>	<b>64%</b>	<b>64%</b>	<b>65%</b>	<b>69%</b>	

**English Baccalaureate (Ebacc)**

Ebacc is a notional suite of GCSEs that include English, maths, at least two sciences (which may include computer science), a humanity (history or geography) and a modern foreign language.

In 2022, the percentage of students entered for the full suite of Ebacc GCSEs was almost double the percentage in 2019, and the figure for 2023 was 49%, almost three times the rate in 2019 and ten percentage points higher than the 2022 national average (39%). Results are shown in the table below and also suggest the increase in entries will correspond with an increase in the average points score per grade, from 3.6 in 2019 to 4.0 in 2023.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

<b>Ebacc Entries</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2022</b>	<b>2023</b>
Blyth	41%	3%	5%	35%	48%
Dyke House	84%	37%	28%	37%	46%
Freebrough	15%	23%	10%	38%	55%
Grangefield	51%	23%	45%	47%	54%
Helton	12%	9%	8%	19%	32%
Kearsley	90%	20%	6%	41%	51%
Kirk Balk	63%	28%	40%	51%	42%
Manor	14%	9%	6%	19%	57%
North Shore	38%	3%	13%	55%	49%
Red House	8%	18%	0%	17%	49%
Thorp	31%	22%	21%	41%	74%
Walbottle	19%	12%	12%	20%	33%
<b>Trust</b>	<b>43%</b>	<b>18%</b>	<b>18%</b>	<b>37%</b>	<b>49%</b>
<b>National</b>	<b>38%</b>	<b>38%</b>	<b>40%</b>	<b>39%</b>	

**Key Performance Indicators (KPI)**

**Academy Performance**

The summary examination results for 2022/23 academic year are shown in the previous section (Achievements and Performance).

**Student Attendance Numbers**

The tables below show the attendance in both primary and secondary academies for the last academic year. This year, and following the policy updates, all academies are implementing immediate intervention (as soon as attendance drops below 97%) where students were recognised as persistently absent (PA) - those with attendance below 90% cumulative for the previous academic year, or severely absent (SA) - those with attendance below 50% cumulative for the previous academic year and especially those who are critically absent (CA) - those with attendance below 20% cumulative for the previous academic year.

**Primary**

Half the primary academies had attendance above the national average for the 2022/3 academic year. All primary academies were significantly below the national average for persistent absence. Overall the primaries as a whole came out with attendance in line with the national average.

Whilst the data below shows the attendance recorded for the whole of the last academic year, it is students who have not been able to return in September due to holidays, being the most affecting factor impacting on attendance in primary academies.

<b>Academy</b>	<b>Att % (STEP 6)</b>	<b>PP (STEP 6)</b>	<b>SEND E (STEP 6)</b>	<b>SEND K (STEP 6)</b>	<b>Y6 (STEP 6)</b>	<b>Att % (D/E)</b>	<b>LA (D/E)</b>
APA	94.0%	92.5%	88.0%	93.7%	92.8%	93.9%	94.6%
BHA	96.0%	94.6%	n/a	96.0%	96.0%	96.0%	94.2%
FNA	94.1%	93.2%	78.4%	93.2%	92.4%	94.1%	94.4%
HA	93.2%	92.0%	94.7%	92.2%	91.8%	93.3%	93.9%
MTA	93.9%	93.4%	85.7%	93.9%	94.1%	94.0%	93.0%
MPA	91.5%	91.9%	87.5%	90.2%	94.1%	91.5%	94.6%
NPA	94.6%	94.0%	94.2%	95.3%	95.6%	94.5%	94.4%
OTA	95.7%	95.7%	92.9%	95.5%	96.1%	95.7%	94.4%
TFA	94.6%	93.8%	94.0%	93.5%	94.1%	94.5%	94.5%
WA	93.6%	92.6%	93.9%	94.1%	92.7%	93.4%	94.2%
<b>Trust</b>	<b>94.0%</b>	<b>93.3%</b>	<b>90.0%</b>	<b>93.5%</b>	<b>94.1%</b>	<b>94.0%</b>	
<b>National</b>						<b>94.1%</b>	

**Secondary**

A focus for the secondary phase will be the immediate application of the policy for students who require intervention the quickest (as explained above) Kearsley Academy, Kirk Balk Academy and North Shore Academy had the strongest attendance last year, although all three were still below the national

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

average. The need to continue to prioritise attendance was a clear focus of the recent conference and the monitoring of attendance so far this year has been enhanced by the executive.

Academy	Att % (STEP 6)	PP (STEP 6)	SEND E (STEP 6)	SEND K (STEP 6)	Y11 (STEP 6)	Att % (DfE)	LA (DfE)
TBA	83.6%	79.7%	85.5%	77.5%	77.5%	83.6%	91.6%
DHA	87.5%	84.7%	71.8%	89.7%	75.7%	88.9%	90.1%
FA	88.1%	83.7%	93.1%	86.0%	82.7%	88.0%	90.4%
TGA	87.6%	84.0%	80.0%	86.2%	84.3%	87.6%	90.0%
HTA	87.6%	84.4%	83.6%	85.2%	81.3%	87.7%	90.3%
KA	89.5%	86.7%	82.7%	89.5%	86.3%	89.6%	91.9%
KBA	88.8%	82.3%	80.3%	91.0%	84.1%	89.0%	90.1%
MCA	87.2%	83.4%	86.0%	84.7%	82.3%	87.3%	90.1%
NSA	89.0%	87.6%	82.4%	88.8%	85.0%	89.0%	90.0%
RHA	86.9%	82.8%	80.7%	84.3%	80.9%	86.8%	90.3%
TA	87.3%	78.8%	84.8%	84.9%	81.7%	87.3%	88.2%
WBA	82.5%	77.1%	52.4%	82.4%	70.6%	83.7%	88.8%
Trust	86.9%	82.7%	81.1%	86.1%	80.2%	87.3%	
National						90.8%	

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**Financial KPI's**

	2022/23	2021/22
<b>Staff Costs as a % of GAG</b>		
Total staff costs (excluding supply and restructure costs)	85.14%	80.49%
Teachers	55.71%	53.64%
Support	14.93%	13.51%
Administration	14.5%	13.34%
<b>Current Ratio</b>	2.62	2.63
<b>Reserves as a % of 2/12ths target</b>	63.52%	68.81%
<b>Creditor Days</b>		
The average amount of time it takes to pay creditors (Not including BACS clearance days)	30	35

**Going Concern**

After making appropriate enquiries, the board of trustees have a reasonable expectation that the academy 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Through the budget setting process, the trust has undertaken an extensive piece of work to ensure that the additional costs in relation to teachers pay, support staff pay, utilities and rising costs in general can be met by the existing grants that it receives from the Education and Skills Funding Agency and has been shared with the Executive.

**Promoting the success of the company**

**General Confirmation of Trustees and Executive Duties**

The Northern Education Trust members, trustees and executive 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 for the matters delegated to its committees. 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 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. Trustees have shown a commitment 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:

**The Likely Consequences of Any Decision in the Long Term**

The trustees and executive understand the sector and local regions in which we operate, including the challenges of best supporting children and families with the greatest needs. Based on the trusts vision (Outcomes focussed, Child centred), the strategies set by the board have significantly improved the progress and outcomes of children in the north of England. The trusts' 6-year consecutive improvement in student outcomes has been recognised by the Department for Education, Regional Schools Commissioner and OFSTED with further schools being sponsored by the trust and joining the "family of schools". Continued strength and progress is being made in the financial medium term plan with funding uncertainty and cost pressures in salaries and suppliers being managed to provide levels of reserves that offer new opportunities in school improvement.

The trustees and executive recognise our high performance can be viewed by different parts of society, the sector and wider stakeholders that some decisions they take today may not align with everyone's interests. Given the complexity of meeting the needs of every single child in our academies, the trustees and executive have taken the decisions they believe best supports our vision: Outcomes focussed, Child centred.

In the table 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:

1. Developed a growth strategy for the trust which in summary aims to increase the number of academies in the areas outlined, whilst scaling up without compromising, so that more children and more communities can benefit from the quality of education the trust can provide
2. Sponsorship of Farringdon Academy in Sunderland where again performance has been improved and the support of the local community and City Council has been received
3. Continued partnerships and investment with local groups to deliver sporting activities e.g. football clubs, a rugby club and a cricket club
4. Further collaboration with Local Authorities to better support children with needs e.g. development of new provisions and site investment at Blyth Academy, Freebrough Academy, Walbottle Academy and Thorp Academy
5. Further development of the NET Staff College, for use and engagement with local businesses, stakeholders and clubs as well as CPD and training opportunities for NET's employee base
6. Support to other Multi Academy Trusts through Service Level Agreements, providing school improvement and back office support

**The Interests of the Company's Employees**

The trustees and executive recognise that our employees are fundamental and core to the delivery and achievement of the trust vision. The success of the trust depends on attracting, retaining and motivating employees. From ensuring that the trust remains a responsible employer, from pay and benefits to health and safety and workplace environment, the trustees and executive factor the implications of decisions on employees and the wider workforce.

---

## NORTHERN EDUCATION TRUST

(A company limited by guarantee)

---

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

---

where relevant and feasible. The trustees and executive recognise that our pensioners, though no longer employees, also remain important stakeholders.

The trust continues to develop as an employer of choice and recognises both the good work of its staff against the financial challenges faced in the current economic climate. To overcome these challenges and best support staff the trust has revised its car salary sacrifice scheme to be more environmentally sustainable (cars limited to be only hybrid, full electric or hydrogen powered only), the introduction of electric charge points across a number of academies and introduced a staff perk scheme offering wider goods and services through salary sacrifice and direct discounts for high street brands for employees.

The trust has also implemented a number of initiatives for teachers to proactively reduce workload and this has been recognised by teaching unions that the trust work closely with. Examples of the initiatives include live marking so that teachers are no longer expected to mark books at home and pre-planned lessons undertaken by the trust subject directors.

During the year, the trust launched two working groups; the workload action group and staff retention working group. Both groups are designed to improve the working lives of support staff by engaging with employees and working together to improve working conditions, workload, improve benefits for employees and understand what is important to employees.

On the 1<sup>st</sup> of January 2023, following significant consultation and negotiation, the trust implemented a job evaluation scheme and consistent terms and conditions of employment for support staff trust wide. Staff briefings were held in every academy and in the central team. This negotiation resulted in a yes ballot and the trust entered into a collective agreement with the recognised trade unions, GMB, Unison and Unite. An equality impact assessment was carried out which evidenced that the outcome of the job evaluation scheme is not discriminatory. In terms of pay, 85% of support staff either benefited or remained the same as a result of the changes. These changes ensured that staff carrying out the same job in different geographical regions of the trust, are all remunerated equitably. The 11 current different pay scales were replaced with one consistent pay and grading structure.

#### **The Need to Foster the Company's Business Relationships with Suppliers, Customers and Others**

Delivering the vision requires strong mutually beneficial relationships with parents/carers, local / central government, community leaders, suppliers, and partners. NET seeks the promotion and application of 10 key values in such relationships. The ability to promote these values effectively is an important factor in the decision to enter into or remain in such relationships. The Board delegates to its Audit and Risk Committee (ARC) the responsibility to review and approve major suppliers and contracts. ARC continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics.

Moreover, the trustees and executive 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 director 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 areas to academy councils who hold local leaders to account playing a key role in the drive for continuous school improvement. Please see page 18 for carbon reporting disclosures which highlight how the Trust is decreasing its impact on the environment.

#### **The Desirability of the Company Maintaining a Reputation for High Standards of Business Conduct**

NET 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 helps 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**

After researching, discussing and often consultation the board weighs up all relevant factors. Trustees and the executive consider which course of action best enables delivery of our strategy through the long-term, taking into consideration at all times the impact on children. In doing so, our trustees and executive act fairly and promote the highest standards of integrity.

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 as primarily NET's core values. The recent governance review and role descriptions for trustees, code of conduct, and job descriptions for every post help everyone at NET act in line and support fully these values and comply with relevant laws and regulations.

Contained within the relevant policies and procedures that govern the trust is an appeal process for the end user, so that staff, customers, students and key stakeholders can take comfort in the fact that the trustees understand the needs of individuals.

#### **Financial Review**

The trust's accounting period is from September 2022 to August 2023.

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



---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

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

---

Academies also receive grants for their major assets from the ESFA and via the Local Authorities. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities (SOFA) as restricted income in the fixed asset fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2023, total expenditure of £116,368k (2022: £107,913k) was met by recurrent grant funding from the ESFA, other incoming resources and funding carried forward from the previous year. The surplus of income over expenditure for the year was £1,069k. This is unrestricted surplus plus restricted deficit excluding pension reserve and including transfers. This surplus added to current reserves of £11,695k provides overall cumulative reserves, excluding pension reserves, for the year ended 31 August 2023 of £12,764k.

The contributing factors to the increased level of reserves has been the continued use of Curriculum Led Financial Planning (CLFP) across the medium term and savings from salaries where, like many other academy trusts across the sector, despite rigorous efforts to recruit staff and increased employee incentive schemes, it has been significantly challenging and a number of posts have been held vacant throughout the year. Increased expenditure also comes from the addition of Helton Academy during the year. The impact of the additional academy can be seen in note 25.

At 31 August 2023 the net book value of tangible fixed assets was £143,448k (2022: £144,554k) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academies within the trust.

The trust continues to enhance its central team function by increasing resources in school improvement from:

1. The appointment of secondary and primary directors of subjects and learning
2. The appointment of posts in Finance and IT & Communications

The trust has also continued to recruit and invest in business managers, creating a number of new roles to further support school improvement.

During the forthcoming financial year, the trust will implement its growth strategy as outlined. As a result of this the trust has identified a number of posts and systems that it will need to invest in to further enhance the school improvement model and to provide the best outcomes for students. A fully costed medium term financial strategy has been produced and shows the affordability of the growth strategy.

The DfE have announced increases to the Teachers Pension Scheme contribution rate for employers which will be fully funded for the financial year 2024-2025 and the Trust has also built into its medium term financial plan the published increase in teacher pay and support staff pay awards.

#### **Reserves Policy**

The Northern Education Trust (NET) reserves policy seeks to protect the trusts activities and make sufficient provision for future cash flow requirements and investment. The policy helps to provide a framework for future strategic planning and decision-making. The development of an effective reserves policy will help to mitigate the impact of any risk upon the continuing operations of the trust such that it has financial stability and both short and longer-term viability.

Overall the Education and Skills Funding Agency (ESFA) and Charity Commission expect trustees to decide, publish, implement and monitor their charity's reserves policy so that they can comply with their legal duties to:

1. act in the interests of their charity and its beneficiaries
2. protect and safeguard the assets of their charity
3. act with reasonable care and skill
4. ensure their charity is accountable

Deciding the level of reserves the trust needs to hold is an important part of financial management and forward financial planning. Failure to do this may result in reserves levels which are either:

1. higher than necessary and may tie up money unnecessarily. Holding excessive reserves can unnecessarily limit the amount spent on charitable activities and the potential benefits a charity can provide
2. too low, increasing the risk to the charity's ability to carry on its activities in future in the event of financial difficulties, and increasing the risks of unplanned and unmanaged closure and insolvency

The target set for trust unrestricted / restricted general reserve is 16% (or 2 months) of total expenditure for the current year. The trust will ensure that small variations in income and expenditure in year do not adversely affect the cumulative reserves of each academy. The trust therefore will establish reserves in each academy of £15,000. The level of reserves held centrally and in academies will therefore provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

NB Exceptional items of expenditure will be excluded from gross expenditure if they include for example the new sponsorship of an academy and the inclusion of its assets.

Reserves held in excess of the target percentages for unrestricted reserves and restricted general reserves will be reviewed by the trust board as part of the Medium Term Financial Plan ('MTFP') report to board.

The MTFP report may include releasing funds into the revenue budget in furtherance of the trust's objectives, assigning funds to appropriate designated reserves for specific projects such as capital spend, supporting pupil growth and other projects as determined and approved by the trust board.

Any movement of funds from restricted to unrestricted must be subject to obtaining appropriate consent from the original donor of the funds

---

## NORTHERN EDUCATION TRUST

(A company limited by guarantee)

---

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

---

#### Types of Reserves

##### Unrestricted Reserves

Unrestricted Reserves (including Designated Reserves – see below) are derived from either the central team or the academy's activities for generating funds, investment income and other donations that can be spent at the discretion of the trustees and/or the executive team, in furtherance of NET's vision and Strategic Development Plan.

Unrestricted Reserves are either designated to individual academies or to the central team. Unrestricted Reserves are generally defined as funds held after excluding:

1. Endowment funds (permanent & expendable);
2. Restricted funds; and
3. Funds that can only be generated on the sale of fixed assets used for charitable purposes.

##### Designated Reserves

Included within Unrestricted Reserves are Designated Reserves which have been designated for a particular purpose. Where a designation has been identified, the purpose and timing of any expenditure must be explained.

##### Restricted Reserves

Restricted Reserves include: the General Reserve, the Fixed Asset Reserve and the Pension Reserve.

##### Restricted General Reserves

These funds are restricted for use in accordance with the funding agreement or donors' instructions and include for example: General Annual Grant (GAG), Nursery Funding from the Local Authority and Pupil Premium.

##### Restricted Fixed Asset Reserve

The Restricted Fixed Asset Reserve is specifically held for capital purposes and equates to the Net Book Value of the assets held by the trust, plus any unspent capital grants that have been accounted for in year.

##### Pension Reserve

The pension surplus or deficit does not constitute an immediate liability or realisable asset and does not mean that the equivalent amount is already committed or no longer available to the Trust. The presence of a pension surplus or deficit will generally result in a cash flow effect for the trust in the form of an increase or decrease in employers' pension contributions over a period of years. NET is confident that it can meet the required pension contributions from projected future income without significantly impacting upon its planned level of activities. The Trust continues to calculate its reserves without setting aside a Designated Reserve to cover the pension liability.

##### Endowment Reserve

The amounts held in the endowment reserve were inherited on conversion of Red House Academy and North Shore Academy. The amounts remain unchanged during the year.

The unrestricted reserves held as at 31st August 2023 was £10,760k (2022: £9,239k) and the restricted general reserves for the same period before pension were £2,004k (2022: £2,456k). Although the trust reserve target has not been achieved, the trust continues to work towards this target by ensuring school budgets and associated staffing levels and resources are being planned and managed effectively over the medium term. Trustees however may decide to redirect financial resource to areas of priority and this has been the case during 2022/23 and going forward where reserves will be used to further support school improvement.

The restricted fixed asset fund held at 31st August 2023 was £144,912k (2022: £146,287k) and the endowment fund held at 31st August 2023 was £1,438k (2022: £1,438k).

The restricted pension fund is in surplus to the value of £64k (2022: deficit £3,300k) as at the year end. The trust would expect that the cash flow effect of the pension reserve being in surplus would be a reduction in future contribution rates across the medium term.

Total funds for the year are £159,178k (2022: £156,120k).

#### Investment Policy

The Academies Trust Handbook (ATH) sets out specifically that trustees *must* have a cautious approach to investments in line with the handbook principles. The board of trustees may invest to further the trust's charitable aims, but *must* ensure investment risk is properly managed. When considering an investment, the board *must*:

1. act within its powers to invest as described in its articles
2. have an investment policy to manage and track its financial exposure, and ensure value for money
3. exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser
4. ensure exposure to investment products is tightly controlled so security of funds takes precedence over revenue maximisation
5. ensure investment decisions are in the trust's best interests
6. review the trust's investments and investment policy regularly.

NET regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the risk implications faced by the trust.

---

## NORTHERN EDUCATION TRUST

(A company limited by guarantee)

---

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

---

The trust acknowledges that effective treasury management will provide support towards the achievement of its vision and objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

In drafting the policy, consideration has been given to affirming that:

1. there is a robust and transparent case that justifies and clearly explains keeping or not keeping reserves
2. the effective management and control of risk are prime objectives of the trust's treasury management activities,
3. the trust's appetite for risk, including the appetite for any use of financial instruments in the prudent management of those risks, must be clearly identified within the strategy report and will affirm that priority is given to security and portfolio liquidity when investing treasury management funds and explain how that will be carried out,
4. responsibility for risk management and control lies within the organisation and cannot be delegated to any outside individual or organisation,
5. credit ratings should only be used as a starting point when considering risk. Use should also be made of market data and information, the quality financial press, information on government support for banks and the credit ratings of that government support,
6. the trust needs a sound diversification policy with high credit quality counterparties and should consider setting country, sector and group limits,
7. the treasury management policy must be approved by the board and all investments reviewed by the audit and risk committee alongside the current financial statements presented,
8. trustees and the executive should be provided with access to relevant training as those charged with governance are also personally responsible for ensuring they have the necessary skills and training
9. officers involved in treasury management must be explicitly required to follow treasury management policies and procedures when making investment decisions on behalf of the trust

By managing risk effectively, trustees can help ensure that:

1. significant risks are known and monitored, enabling trustees to make informed decisions and take timely action
2. the trust makes the most of opportunities and develops them with the confidence that any risks will be managed
3. forward and strategic planning are improved
4. the charity's aims are achieved more successfully

Reporting in its trustees' annual report on the steps the trust has taken to manage risk helps to demonstrate the trust accountability to the regulators and wider public. The diverse nature of the sector and the trust's activities means that NET faces different types of risk and levels of exposure

The policy agrees which investments the trust may use for the prudent management of its treasury balances during the financial year under the categories of specified investments and non-specified investments.

1. specified investments are those with a high-level credit quality and subject to a maturity limit of one year. These investments will be permitted.

The trust's primary investment objective is the security of the capital investment. The trust will manage all investments to meet cash flow demands and to achieve a reasonable return commensurate with the proper levels of security and liquidity. The risk appetite of the trust is low in order to give priority to security of its investments and all investments will be in Sterling.

#### Principal Risks and Uncertainties

In the previous two years, the trust undertook a fundamental review of risk management and introduced a new risk management system and reporting mechanism, which was developed and implemented, and continues to be intrinsically linked directly to the development of the internal scrutiny plan to be undertaken by internal audit.

Whilst levels of risk and uncertainty continues to exist with regards future changes in levels of funding and inflation (utilities and staff costs) other risks around safeguarding are being effectively managed and mitigations in place.

More detailed and specific financial and non financial risks that are managed throughout the year are:

1. Liquidity risk: the trust manages its resources, including sufficient working capital, so all its operating needs are met without the need for any external borrowing. A single bank account for academies has been developed and this has proven to be a significant factor in managing this risk. Surplus cash is invested through appropriate financial instruments as to maximise interest income without incurring excessive risks.
2. Interest rate risk: the inflation rate across the UK has risen significantly over the last two years, with increased costs in utilities and cost of living rises to salaries, the trust has been able to mitigate this risk within the Medium-term Financial Plan, whilst ensuring the trust remains a going concern.
3. Credit risk: the trust is subject to price inflation, but is funded by government alongside all other academies and schools, and credit risk is therefore considered to be negligible.
4. Brexit: the trust continues and monitor the risks and uncertainty around Brexit and uses the guidance from central Government to understand the possible changing landscape of the sector and wider.
5. Estates Management: the trust continues to monitor the risks around its estate. The trust receives annually £1.8 million in School Condition Allocation funding (SCA) along-side the Devolved Formula Capital (DFC) grant. A five-year strategic plan has been developed, broken down into three categories; outstanding learning environments, health and safety and beyond compliance, to ensure that asset cycles, maintenance and repairs are considered alongside new, bigger projects. The trust has also developed a specification of works to ensure that new academies joining the trust receive significant investment to ensure that the standards in those academies meet the trust requirements and specifications that are used across the NET estate.
6. Other corporate risks: the trust continues to update its risk register regularly and reviews and monitors emerging issues in the sector. This includes the risk of cyber fraud, recruitment and retention, GDPR and artificial intelligence. The trust continues to manage these risks with the appropriate systems and controls that it has invested in over the medium term.

#### Risk Management

The trust is continuously monitoring and assessing its current and future risks and to identify and implement strategies for addressing risks. This process

## NORTHERN EDUCATION TRUST

(A company limited by guarantee)

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

allowed risks to be scored, prioritised and re-assessed once controls had been established and finally their likelihood of occurrence assessed and means of mitigation identified. The trust board has reviewed the risks to which the trust is exposed, and considered in particular those relating to the strategic development of the trust and its academics on-going performance, as well as its operational activities, and its finances.

The significant positive shift in the approach to considering the risk and uncertainties faced is further strengthened by the risk register now being linked to the work of internal scrutiny. The work of internal scrutiny concluded during the year with an average score of 90% (an increase on the previous year) and from the scope of works provided direct assurance to the risk register and the assessment of the risks faced that had been assessed by directors.

Trustees recognise and support fully the need for informed and effective systems of internal control and risk management. In summary the key risks identified and being monitored and managed are;

1. The impact of student progress and outcomes and other school improvement interventions
2. Staffing attendance and continued difficulties to recruit/retain staff.
3. Continued effective safeguarding of students as a result of academy risk assessments, IT monitoring whilst using remote learning and academy Designated Safeguarding Lead(s) interventions.

#### Fundraising

The trust encourages wider student opportunities across all of its academies with the trust approach to funding some of these trips and events coming from fundraising activities.

The trust does not work with or use any commercial participators or professional fundraisers. All funds from fundraising are recorded in the financial ledger and any activities and funds received are monitored by the academy principal. Any complaints regarding fundraising should be referred to the trusts complaints policy. The trust does not promote any intrusive or persistent fundraising approaches and wishes to ensure the safeguarding and protection of the public, including vulnerable people.

#### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	18,361,057	20,933,251
Energy consumption break down (kWh)		
• Gas	12,086,684	14,185,523
• Electricity	5,614,343	6,166,002
• Owned transport – Mini-buses	32,974	16,241
• Mileage claims	627,056	565,485
<u>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</u>		
Gas consumption	2,211.00	2,589.43
Owned transport – Mini-buses	9.24	4.07
<u>Total Scope 1</u>	<u>2,220.24</u>	<u>2,593.50</u>
<u>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</u>		
Purchased UK Electricity	1,162.58	1,192.38
<u>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</u>		
WTT – Fuels	365.14	441.17
T&D Losses – UK Electricity	100.58	109.80
WTT – UK Electricity	257.70	311.26
WTT – UK Electricity T&D Losses	22.29	
Business travel in employee owned vehicles	168.16	131.21
<u>Total Scope 3</u>	<u>913.86</u>	<u>993.44</u>
Total gross emissions in metric tonnes CO <sub>2</sub> e	<u>4,296.68</u>	<u>4,779.32</u>
<u>Intensity ratio</u>		
Tonnes CO <sub>2</sub> e per pupil	0.421	0.447

---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

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

---

1. The energy and carbon information is not included for those academies where a PFI arrangement is in place, due to timing issues in obtaining the necessary Kwh usage data required from the Local Authority for the Streamlined Energy Carbon Report (SECR) calculation at year end. These academies are Hetton, Kirk Balk and Walbottle.
2. For the academic year 2023-24, the trust will, on a monthly basis, seek to obtain the necessary Kwh usage data for these academies from the Local Authorities, allowing the SECR calculation to be completed in accordance with the reporting requirements and deadlines.
3. The SECR calculation does not include these academies, and therefore the pupil numbers for those academies are not included so the ratio is consistent.

**Quantification and Reporting Methodology:-**

- We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

**Intensity measurement**

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

**Measures taken to improve energy efficiency**

As part of the PFI arrangement with Newcastle City Council, work is almost complete on Walbottle Academy becoming the first carbon neutral school in the country. The first phase is complete, by installing heat pump technology rather than traditional boilers to warm up the school. The trust continues to install smart meters, LED lighting and electric charge points across all sites, using the DfE energy funding. The trust continues to utilise video conferencing technology for staff meetings, to reduce the need to travel between sites. The trust has limited the choice of vehicles to electric or hybrid throughout the car salary sacrifice scheme. As at the 31<sup>st</sup> August 2023 the percentage of cars in the trusts fleet that are fully electric are 87%.

**Plans for Future Periods**

The current focus of the trust is firmly fixed on our vision: outcomes focussed, child centred. The areas in summary to note for future periods would be:

1. Planned and significant continued investment in School Improvement, Finance and ICT, greater progress in school improvement, recruitment / retention of teachers and the NET staff college to support continuous professional development
2. Changes in the current trust portfolio of academies would be after close consideration by trustees in relation to the current growth strategy, the geography, current capacity and other due diligence and risks to be evaluated as academies are brokered

Details of significant events since the reporting date are contained in note 31 to the financial statements.

**Auditor**

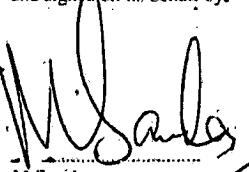
The appointment of RSM UK Audit LLP has been considered by trustees and approved at the Audit and Risk Committee.

**Statement as to Disclosure of Information to the Auditor**

The trustees have confirmed that;

1. as far as they are aware, there is no relevant audit information of which the auditor is unaware.
2. the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12th December 2023 and signed on its behalf by:

  
M Sanders  
Chair of Trustees

---

## NORTHERN EDUCATION TRUST

(A company limited by guarantee)

---

### GOVERNANCE STATEMENT

---

#### Scope of responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Northern Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the trustees' report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Sanders, Chairman	7	7
T Grieveson, Deputy Chair	6	7
R Tarn, Chief Executive	7	7
C Roberts, Vice Chair	7	7
S Duncan	2	7
J Copping	6	7
J Kelly	5	7
J Heaton	5	7
N Barker	6	7
R Flack	0	0

#### The coverage of the boards work

The trust board is ultimately responsible for overall control and direction, including the monitoring of performance and resources. The board ensures that the trust operates effectively and within the agreed terms of our internal governance and upholds the approved vision and values. Trustees are accountable to external government agencies including the Department for Education (DfE), Education and Skills Funding Agency (ESFA) and Charity Commission (CC) for the quality of the education they provide and have systems in place through which they can assure themselves of quality, safety and good practice.

The board provides:

- Strategic leadership: the board defines the trust vision for high quality and inclusive education in line with its charitable objectives. It establishes and fosters the trust's culture and sets and champions the trust strategy including determining what governance functions are delegated to the local academy council
- Accountability and assurance: the board has robust effective oversight of the operations and performance, including the provision of education, pupil welfare, overseeing and ensuring appropriate use of funding and effective financial performance and keeping the estate safe and well maintained
- Engagement: the board has strategic oversight of relationships with stakeholders. The board involves parents, schools and communities so that decision-making is supported by meaningful engagement.

The board delegates other matters to its sub-committees (set out below) and executive powers which are recorded in the scheme of delegation. The development and implementation of new consistent and standardised school improvement models and processes under the leadership of the Chief Executive has provided trustees with further oversight and offered greater scrutiny into outcomes and the use of resources. The trust continues to review its governance structure and trustees against DfE, ESFA and CC guidance. The assessment and review of governance is done promoting integrity and openness in accordance with the seven principles of public life (Nolan Principles)

#### The Boards Performance

During the year the trust has continued to undertake a comprehensive review of its governance structure, membership to the board (and sub-committees) and its recruitment and commitment to continuously develop trustees. Using the DfE best practice documents (Governance Handbook 2019 and Competency Framework for Governance 2017) a self-assessment has been developed that all trustees have completed and will form part of any new trustee induction and appraisal. A robust training programme continues to be developed with the support of the NET Staff College, focussing on key areas such as safeguarding, to further support and develop Trustees going forward, and ensure statutory responsibilities are met. The next review of the trust boards performance and skill set is set to take place during 2023-24 and the trust has commissioned an external organisation to undertake this review.

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

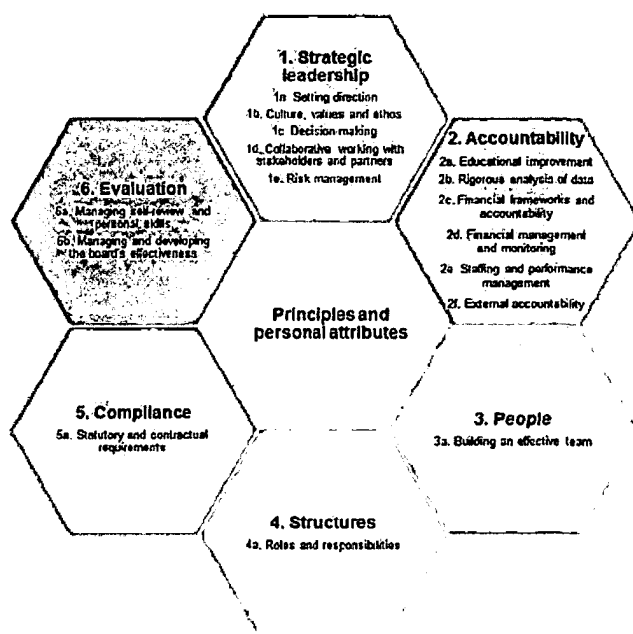
---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**Governance (continued)**

The two DfE best practice publications used by the trust in its review set out the purpose of governance; which is to provide confident and strong strategic leadership which leads to robust accountability, oversight and assurance for educational, financial and overall performance. These principles are based on a framework of 16 competencies grouped into 6 key features of effective governance (see below diagram) and form the basis and structure of the new board and sub-committee terms of reference



Trustees as part of the governance review recognised the need to further strengthen the links between the trust board and, its sub-committees and each local academy council. An additional link role has been introduced for Information Governance at trust board level only. This enables the Senior Information Risk Owner (SIRO) who chairs the Information Governance Steering Group (IGSG) to report directly to the Chair of ARC who has taken on this new link role.

Regularity and HR link roles are retained at trust board level only based on the terms of reference for the board and its sub-committees.

Standards, Safeguarding/Prevent, SEND, Health and Safety and Estates, Careers and Information Governance link roles continue to be established at both board and academy council level. Training is facilitated specifically around these roles and annual conferences take place focusing on statutory requirements and sector best practice.

During the year the Trust Board met seven times. The Board continues to maintain effective oversight of funds in the following way:

- The Audit and Risk Committee continued to meet six times during the year with the management accounts being discussed at each of these meetings.
- The Continuity and Resilience Committee met once during the year.
- The management accounts of the Trust are sent to the Chairman of the trust on a monthly basis
- Delegated authorities to the CEO and Chief Operating and Financial Officer as defined in the board approved Scheme of Delegation
- The Audit and Risk Committee have complete oversight of the trust internal scrutiny programme

**Conflicts of interest**

The trust manages conflicts of interest by obtaining a list of declared interests by each trustee, this is updated annually at the start of each financial year. This information is held on the trust website. The trust finance team also hold this information and consult this document when reviewing purchase requisitions.

Should discussions take place at board level that conflict a trustee, the trustee will leave the meeting so as not to be involved with those discussions.

---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**Governance (continued)**

The Continuity and Resilience Committee (CRC) is a sub-committee of the Trust Board. CRC was initially developed in 2020, largely in response to the Covid pandemic and national restrictions placed on the sector. The trust board approved (in June 2020) to form a smaller group of trustees and create CRC to effectively lead in times of crisis and/or emergency.

CRC can be called by the trust chair (or deputy chair in the chair's absence) if a crisis and/or emergency occurs. The committee has full delegated authority from the trust board in all areas of decision making.

During the year the terms of reference for the CRC were updated to reflect the need that there are occasions when time-critical decisions need to be made between board meetings. Whilst the original terms of CRC were for emergency matters only, it was recognised that board meetings were not always scheduled at the right time to make the decisions around future sponsorship opportunities during a period of growth and so delegated the matter to CRC. CRC met once during the year.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Sanders	1	1
T Grievson	1	1
J Copping	1	1
R Tarn	1	1

The Audit and Risk Committee is also a sub-committee of the main board of trustees. Its purpose is as follows:

**Overall**

- Maintain an oversight of the Trust's governance, risk management, internal control and value for money (VfM) framework. It will report its findings annually to the board and the Chief Executive as a critical element of the Trust's annual reporting requirements.
- The Audit Committee has no executive powers or operational responsibilities/duties

**Internal Control**

- The Committee shall ensure that the internal control systems, including audit activities, of the Trust and any of its subsidiaries is monitored actively, independently and objectively in order to:
- Improve the effectiveness of the Trust's internal controls.
- Reinforce the independence and effectiveness of the internal audit function.
- Provide a sounding board for Trust management on issues of concern in connection with the Trust's internal control systems.
- Advise on the reliability of the Trust's information systems and processes.
- Review Trust financial statements and budgets (Revenue & Capital).
- Advise the Trust Board and CCSG on the appointment of internal and external auditors and providers of key financial systems i.e. Bank and General Ledger.
- Approve /consider procurement recommendations in line with Financial Regulations.
- Underpin the objectivity and independence of the external auditors.
- Increase stakeholder confidence in the objectivity and fairness of the Trust's financial reports and in the quality of the Trust's corporate governance.
- To provide a medium of communication from the Trust's auditors to the Trust which is seen to be independent of Trust management,
- To ensure that financial transactions are undertaken in accordance with the Trust's financial regulations.

**Risk Management and Value for Money Framework**

- To act as the Trust's Risk Management Group.
- Report on value for money of the Trust on a regular basis considering relevant comparator review the timeliness of, and reports on, the effectiveness of corrective action taken by the Trust's management.
- Review and approve the statements to be included in the annual report concerning internal controls and risk management, prior to consideration by the board.
- Receive reports from external bodies for example the Education Funding Agency and National Audit Office, and consider any issues raised along with management responses and action plans.
- Review the Trust's codes of conduct, ethics and related corporate responsibility policies and how these are communicated and monitored; and
- To review staff pension arrangements.

**Whistleblowing**

- Review the adequacy and security of the Trust's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters

Attendance during the year at meetings was as follows:



---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**Governance (continued)**

Trustee	Meetings attended	Out of a possible
J Copping - Chair	5	6
J Kelly	6	6
N Barker	6	6
R Tarn, attended in capacity as accounting officer	6	6

The Curriculum Standards and Welfare Committee is also a sub-committee of the main board of trustees, its purpose is to have delegated oversight and scrutiny of the Trust's quality of education provision, academic performance and welfare of students across all academies.

The Committee shall:

- Ensure that processes exist to monitor and review progress of areas delegated from the board for primarily school improvement against the agreed vision. Focus will be given to the safeguarding and SEND link and PREVENT link to provide challenge and support to executive leaders.
- Establish mechanisms for enabling the board to listen, understand and respond to the voices of pupils and staff within the sector.
- Consider on behalf of the board primarily areas of school improvement; ensuring school improvement risks are aligned with the trust vision and improvement plans and appropriate intervention strategies are in place.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
T Grieveson (Chair)	6	6
S Duncan	4	6
J Heaton	5	6
J Kelly	5	6
M Sanders	5	6
R Tarn, attended in capacity as accounting officer	4	6

**Review of value for money**

As accounting officer, the Chief Executive 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, as well as estate safety and management, achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Chief Executive as Accounting Officer is personally responsible for the regularity and propriety of public funds and ensuring they are consistent with the purposes for which parliament intended. The continuous focus on improved value for money can be sought from the following examples below (which can be considered in detail from the narrative within the Trustees Report):

1. The Trust, in Primary and Secondary performance has improved on results in 2023 from the previous 6 years. The Trustees Report shares many of these successes and improved outcomes for children, which in summary are:
- Significant improvements in secondary performance with 4+ Maths and English from 53% (2017) to 68% (2023) and 5+ Maths and English from 33% (2017) to 50% (2023)
  - Ofsted results again highlight the improving position of the trust with the charts below:

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money (continued)**

	Previous judgement	Current judgement
<b>Primary Academies</b>		
Hilton Primary Academy		
Frederick Nattrass Primary Academy	2	2
The Ferns Primary Academy	2	2
Whitecliffe Primary Academy	2	2
Badger Hill Primary Academy	2	2
Abbey Park Primary Academy	2	2
Merlin Top Primary Academy	3	
The Oak Tree Primary Academy	3	2
Norton Primary Academy	3	2
Mount Pellon Primary Academy		2
<b>Secondary Academies</b>		
Dyke House Academy	2	
Grangefield Academy	2	
North Shore Academy	3	
Kearsley Academy	3	2
Kirk Balk Academy	3	2
Manor Community Academy	3	2
Thorp Academy	3	2
Blyth Academy	3	2
Red House Academy		2
Freebrough Academy		
Walbottle Academy		2
Helton Academy	3	Not Inspected

<b>Key:</b>
1. Outstanding
2. Good
3. Requires Improvement
4. Inadequate

- The trust MAT Summary Evaluation, undertaken by OFSTED and outlined in the Trustees Report, highlighted a vast number of significant achievements since the last focused review. This includes:
  - Trustees and other leaders have transformed how the trust operates
  - Schools that have recently joined the trust have undergone monumental improvements that are life-changing for pupils and staff
  - Overall, published outcomes across the trust are exceptionally strong
  - In 2017, trust leaders needed to secure improvements quickly. Many ways of working across the trust were prescribed. Through exceptional leadership from the CEO and other leaders, staff are now much more able to contribute to trust policies and do so throughout the trust
  - Leaders see the trust as 'one school over many sites'. There is no real distinction between trust leaders and school leaders. Leaders at all levels are ambitious for pupils
- The corporate performance in ensuring Value for Money (VFM), probity and propriety continues. This is evidenced from the improved internal audit scores for 2022/23 of 90%. Renewed and new contracts in key areas that have delivered VFM, savings and greater quality in goods / services and recognition from external providers, including printing and signage, internal scrutiny and careers guidance.
- Curriculum Led Financial Planning has driven the budget setting and medium-term financial planning of academies. The introduction or application of a contact ratio of 0.79 (contact ratio is the percentage of time a teacher will spend in front of students as an average) and in secondary academies a bonus of 8% (bonus is a measure of teacher time above or below a reference line, historically, the reference line has been the teacher time required to give an average class size of 27) ensures financial viability and sustainability with curriculum breadth and student pathways across subjects.
- The trust is able to demonstrate how it has effectively used capital funding to ensure that the trust estate is safe, well-maintained and complies with regulations. During the year the trust received £1.803 million of School Condition Allocation (SCA), £0.620 million Energy Efficiency Funding and £0.316 million of Devolved Formula Capital (DFC). The trust has undertaken a number of projects which are outlined in the trust capital programme, which include the redevelopment of North Shore Academy, Kearsley Academy and Thorp Academy, to accommodate increase in pupil numbers, the transformation of Blyth into an outstanding learning environment, safeguarding projects at Norton Academy, Red House Academy, The Ferns Academy, The Grangefield Academy, Whitecliffe Academy, Dyke House Academy and Oak Tree Academy. The trust has also used the Energy Efficiency Funding to undertake LED upgrades at a number of academies, Boiler Management System Upgrades across the trust and an increase in electric charging points at a number of academy sites.

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Northern Education Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The risk and control framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- Regular trustee reviews of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The board of trustees has considered the need for a specific internal scrutiny function and has decided:

- To appoint Beevers and Struthers as internal auditor with a proven track record for managing internal scrutiny programs for large multi academy trusts
- To develop internal scrutiny to consider not only areas of finance but go beyond this into other areas of non-financial activity and operations
- To seamlessly link the risk register and work of internal scrutiny to better understand the assessment of risk and then the risks and opportunities faced over time

The work of internal scrutiny includes giving advice on both financial and non-financial matters and performing a range of checks across the trust. In particular the checks carried out in the current period included:

- Testing of payroll and HR systems
- Testing of Financial Management, Financial Administration and Procurement
- Testing of Business Continuity, Risk Management, ICT, GDPR and Health and Safety
- Testing of School Improvement and Safeguarding
- Testing of trust performance against the Academies Trust Handbook

On a quarterly basis, the internal auditor reports to the board of trustees through the Audit and Risk committee on the operation of the systems of control and on the discharge of the trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The academy trust can confirm that the internal auditor delivered their schedule of work as planned with no material control issues identified

---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

**GOVERNANCE STATEMENT (CONTINUED)**

---

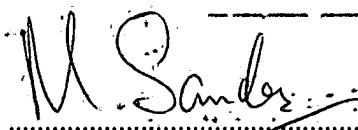
**Review of effectiveness**

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

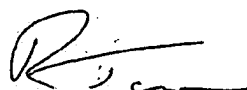
- The work of internal scrutiny;
- The financial management and governance self-assessment process or the school resource management self-assessment tool,
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- The work of the external auditor;

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to address auditor recommendations and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12th December 2023 and signed on their behalf by:



M Sanders  
Chair of Trustees



R Tarn CBE  
Accounting Officer

---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

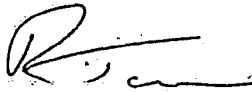
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

---

As accounting officer of Northern Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding 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 2022 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 all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Trust Handbook 2022.

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



R Tarn  
Accounting Officer  
Date: 12th December 2023

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

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

Company law requires the Trustees to prepare financial statements for each financial 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:

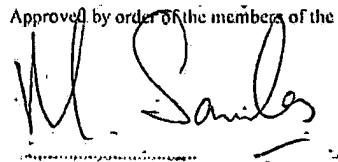
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 12th December 2023 and signed on its behalf by:



M Sanders  
Chair of Trustees

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHERN EDUCATION TRUST**

---

**Opinion**

We have audited the financial statements of Northern Education Trust (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, 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 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Trustees' Report other than the financial statements and our Auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report, 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 has been prepared in accordance with applicable legal requirements.

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHERN EDUCATION TRUST**  
**(CONTINUED)**

---

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

In the light of our 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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or 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.

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.



---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHERN EDUCATION TRUST**  
**(CONTINUED)**

---

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: [www.frc.org.uk/auditorsresponsibilities](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.

*RSM UK Audit LLP*

---

Claire Leece (Senior statutory auditor)  
for and on behalf of

RSM UK Audit LLP Statutory Auditor  
Chartered Accountants  
Central Square, 5th Floor,  
29 Wellington Street, Leeds  
LS1 4DL

Date: 14/12/23

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTHERN  
EDUCATION 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 23 May 2022 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 Northern Education Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2022 to 31 August 2023 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 are independent of Northern Education Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

**Responsibilities of Northern Education Trust's accounting officer and trustees**

The accounting officer is responsible, under the requirements of Northern Education Trust's funding agreement with the Secretary of State for Education dated 4 July 2012 and the Academy Trust Handbook extant from 1 September 2022, 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 Northern Education 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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 2022 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.

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

**Use of our report**

This report is made solely to Northern Education Trust and the ESFA in accordance with the terms of our engagement letter dated 23 May 2022. Our work has been undertaken so that we might state to the Northern Education 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 Northern Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

*RSM UK Audit LLP*

**RSM UK AUDIT LLP**  
Chartered Accountants  
Central Square, 5th Floor,  
29 Wellington Street, Leeds  
LS1 4DL

Date: 14/12/23

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

		Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
	Note						
<b>Income and endowments from:</b>							
Donations and capital grants:							
Donations and capital grants	2	173	931	2,143	-	3,247	2,253
Transfer in on conversion	25	409	(431)	1,474	-	1,452	-
Other trading activities	3	945	-	-	-	945	652
Investments	4	482	-	-	-	482	1
Charitable activities:							
Funding for the academy trust's educational operations	5	2,342	106,184	-	-	108,526	96,280
<b>Total income and endowments</b>		<b>4,351</b>	<b>106,684</b>	<b>3,617</b>	<b>-</b>	<b>114,652</b>	<b>99,186</b>
<b>Expenditure on:</b>							
Charitable activities:							
Academy Trust educational operations	6	2,830	107,895	5,643	-	116,368	107,913
<b>Total expenditure</b>		<b>2,830</b>	<b>107,895</b>	<b>5,643</b>	<b>-</b>	<b>116,368</b>	<b>107,913</b>
<b>Net income/(expenditure)</b>		<b>1,521</b>	<b>(1,211)</b>	<b>(2,026)</b>	<b>-</b>	<b>(1,716)</b>	<b>(8,727)</b>
Transfers between funds	18	-	(651)	651	-	-	-
<b>Net movement in funds before other recognised gains</b>		<b>1,521</b>	<b>(1,862)</b>	<b>(1,375)</b>	<b>-</b>	<b>(1,716)</b>	<b>(8,727)</b>
<b>Other recognised gains:</b>							
Actuarial gains on defined benefit pension schemes	27	-	4,774	-	-	4,774	58,678
<b>Net movement in funds</b>		<b>1,521</b>	<b>2,912</b>	<b>(1,375)</b>	<b>-</b>	<b>3,058</b>	<b>49,951</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		9,239	(844)	146,287	1,438	156,120	106,169
Net movement in funds		1,521	2,912	(1,375)	-	3,058	49,951
<b>Total funds carried forward</b>		<b>10,760</b>	<b>2,068</b>	<b>144,912</b>	<b>1,438</b>	<b>159,178</b>	<b>156,120</b>

The Statement of financial activities includes all gains and losses recognised in the year.

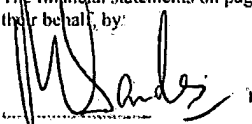
The notes on pages 37 to 71 form part of these financial statements.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 07189647

**BALANCE SHEET  
AS AT 31 AUGUST 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Intangible assets	13	60	75
Tangible assets	14	143,448	144,554
		<u>143,508</u>	<u>144,629</u>
<b>Current assets</b>			
Debtors	15	3,983	3,423
Cash at bank and in hand		21,250	20,412
		<u>25,233</u>	<u>23,835</u>
Creditors: amounts falling due within one year	16	(9,627)	(9,035)
<b>Net current assets</b>		<u>15,606</u>	<u>14,800</u>
<b>Total assets less current liabilities</b>		<u>159,114</u>	<u>159,429</u>
Creditors: amounts falling due after more than one year	17	-	(9)
<b>Net assets excluding pension asset / liability</b>		<u>159,114</u>	<u>159,420</u>
Defined benefit pension scheme asset / liability	27	64	(3,300)
<b>Total net assets</b>		<u><u>159,178</u></u>	<u><u>156,120</u></u>
<b>Funds of the Academy Trust</b>			
Endowment funds	18	1,438	1,438
<b>Restricted funds:</b>			
Fixed asset funds	18	144,912	146,287
Restricted income funds	18	2,004	2,456
		<u>146,916</u>	<u>148,743</u>
Restricted funds excluding pension liability / asset	18	146,916	148,743
Pension reserve	18	64	(3,300)
<b>Total restricted funds</b>	18	<u>146,980</u>	<u>145,443</u>
Unrestricted income funds	18	10,760	9,239
<b>Total funds</b>		<u><u>159,178</u></u>	<u><u>156,120</u></u>

The financial statements on pages 34 to 71 were approved by the trustees, and authorised for issue on 12th December 2023 and are signed on their behalf, by:

  
M Sanders  
Chair of Trustees

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(1,545)	2,141
Cash flows from investing activities	22	2,392	(1,406)
Cash flows from financing activities	21	(9)	(17)
		<u>838</u>	<u>718</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		20,412	19,694
Cash and cash equivalents at the end of the year	23	<u>21,250</u>	<u>20,412</u>

---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

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

---

**1. Accounting policies**

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

**1.1 Company status**

Northern Education Trust is a charitable company (the 'academy trust'). The address of the trust's principal place of business is given on page 1. The nature of the trust's operations are set out in the Trustees' Report.

**1.2 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 whole £1,000, except where otherwise indicated.

The principal accounting policies adopted are set out below.

**1.3 Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

**1.4 Income**

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

- **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 a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

Identifiable assets and liabilities are transferred in for nil consideration. The substance of the transfer is that of a gift and has been accounted for on that basis. The transfer is analysed as unrestricted, restricted general and restricted fixed assets.

Where net liabilities are transferred an amount equal to the net liabilities transferred is recognised as a transfer on conversion within expenditure Charitable Activities - Academy transfer in on conversion.

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

**i. Accounting policies (continued)**

**1.5 Grants receivable**

Grant income is 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.

Capital grants are recognised when there is entitlement, when performance-related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund.

**1.6 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.

**1.7 Other income**

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

**1.8 Interest receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis.

**1.9 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds 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.

Expenditure on charitable activities are costs incurred on the academy trust's educational operations including support costs and these costs relating to the governance of the academy trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**1.10 Intangible 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.



---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

**1. Accounting policies (continued)**

**1.10 Intangible assets (continued)**

Amortisation is provided on the following basis:

Computer software	-	20% to 33.3% straight line basis
-------------------	---	----------------------------------

**1.11 Tangible fixed assets**

Assets costing more than £5,000 are capitalised 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 benefits. All other costs of repairs 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 there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% to 15% straight line basis or over the life of the lease if shorter
Furniture and fixtures	-	25% straight line basis
Computer equipment	-	25% straight line basis
Motor vehicles	-	25% straight line basis

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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 (incorporating income and expenditure account).

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

**I. Accounting policies (continued)**

**1.12 Leasehold property**

Leasehold properties are recognised in the balance sheet at their depreciated replacement cost as specialised properties (in accordance with FRS 102 section 17). It is deemed appropriate to capitalise leasehold properties as the organisation will have full use of the asset for its useful economic life.

Where leasehold properties represent donated assets they are recognised in the Balance Sheet at fair value.

The fair value is determined through calculation by an independent expert; or historic cost transferred from previous Local Education Authority body; or internal valuation.

In accordance with FRS 102 section 27 where an event or circumstance arises that may indicate that the carrying value of the asset is not recoverable an impairment is recognised. This risk is assessed on annual basis by those charged with governance.

Where independent valuations for ESFA reporting requirements have been obtained, these are considered to represent such an event or circumstance. Due to the cost outweighing the benefit it is not the organisation's policy to obtain an independent valuation for every property recognised in the balance sheet.

Leasehold property is depreciated over its estimated useful economic life. Estimated useful economic life is determined by industry experience driven by information provided by independent experts.

**1.13 Leases**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term. Where the properties occupied by acquired academies are the subject of PFI contracts, consideration is given to the detailed items of the relevant contract and to whether or not the PFI contract transfers the risks and rewards of ownership to the academy trust. If there is such a transfer of risk and rewards such assets are accounted for under the policies for leasehold property set out above. If such risks and rewards are not transferred, the payments under the PFI contract are treated as operating lease payments.

**1.14 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.15 Cash and cash equivalents**

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.16 Liabilities and provisions**

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

---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

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

---

**1. Accounting policies (continued)**

**1.17 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 measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or 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. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 risk 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.

**1.18 Taxation**

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation and Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.19 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.

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

**1. Accounting policies (continued)**

**1.20 Pension benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS") which are multi-employer defined benefit schemes.

**Teachers' Pension Scheme**

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. As stated in note 27, the TPS is an unfunded multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**The Local Government Pension Scheme**

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 unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other comprehensive income.

Actuarial gains and losses and the effect of the asset ceiling are recognised immediately in 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.

**1.21 Fund accounting**

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

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

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

Endowment funds are resources to be held on trust to be retained for the benefit of the academy trust as a capital fund.

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

**1. Accounting policies (continued)**

**1.22 Agency arrangements**

The academy trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA. The funds received and paid and any balances held with the ESFA are disclosed in note 32.

**1.23 Employee termination benefits**

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the academy trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.24 Critical accounting estimates and areas of judgement**

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

**Critical accounting estimates and assumptions:**

The 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.

**Defined benefit pension scheme**

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 27, will impact the carrying amount of the pension obligation. 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 obligation at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension obligation.

**Useful economic lives of tangible assets**

The annual depreciation charge for the tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the property plant and equipment and note 1.11 for the depreciation accounting policy.

**Property valuations**

When new schools join the academy trust, the new school land and buildings are included at a valuation at the date of transfer. This valuation is then treated as deemed cost.

Management have taken advice from professional valuers in determining the amounts at which those buildings are included in the financial statements.

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

**1. Accounting policies (continued)**

**Critical areas of judgement**

**Properties subject to 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 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.

**Local Government Pension Scheme**

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.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**2. Income from donations and capital grants**

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	582	(431)	1,474	1,625	188
Devolved Formula Capital	-	-	316	316	299
Other capital grants	-	931	1,827	2,758	1,766
	<u>582</u>	<u>500</u>	<u>3,617</u>	<u>4,699</u>	<u>2,253</u>
<i>Total 2022</i>	<u>188</u>	<u>1,627</u>	<u>438</u>	<u>2,253</u>	

Included within donations are donated fixed assets of £1,452k transferred into the Trust on conversion of Helton Academy. Further details on the transfers in are shown in note 25.

**3. Income from other trading activities**

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
<b>Charity trading income</b>			
School lettings	331	331	302
Uniform	11	11	13
Insurance claims	-	-	19
Other income	603	603	318
	<u>945</u>	<u>945</u>	<u>652</u>
<i>Total 2022</i>	<u>652</u>	<u>652</u>	

**4. Investment income**

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Bank Interest	482	482	1
	<u>482</u>	<u>482</u>	<u>1</u>
<i>Total 2022</i>	<u>482</u>	<u>482</u>	

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**5. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
<b>Trust's educational operations</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	86,898	86,898	80,077
Other DfE/ESFA grants				
Pupil Premium	-	7,116	7,116	6,515
Main School Additional Grant	-	1,391	1,391	-
School Supplementary Grant	-	2,489	2,489	1,073
Other DfE/ESFA grants	-	4,654	4,654	3,383
	-	-	102,548	91,048
<b>Other Government grants</b>				
Local Authority grants	-	812	812	457
SEN from LA	-	1,594	1,594	1,373
Other Government grants	-	112	112	110
Nursery grants and EYSPF	-	1,118	1,118	1,070
	-	3,636	3,636	3,010
<b>Other income from the Academy Trust's educational operations</b>	2,342	-	2,342	2,222
	2,342	106,184	108,526	96,280
	2,342	106,184	108,526	96,280
<b>Total 2022</b>	2,222	94,058	96,280	

**6. Expenditure**

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
<b>Trust's educational operations:</b>					
Direct costs	65,570	-	10,210	75,780	71,443
Support costs	15,788	11,406	13,394	40,588	36,470
	81,358	11,406	23,604	116,368	107,913
<b>Total 2022</b>	75,108	9,499	23,306	107,913	



**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Trust's educational operations	75,780	40,588	116,368	107,913
<b>Total 2022</b>	<b>71,443</b>	<b>36,470</b>	<b>107,913</b>	

Included in direct costs above are PFI costs of £2,221k (2022: £1,432k), of which £1,193k (2022: £561k) relates to Kirk Balk Academy, £917k (2022: £871k) relates to Walbottle Academy and £111k relates to Hetton Academy.

**Analysis of support costs**

	Total funds 2023 £000	Total funds 2022 £000
Staff costs	15,788	12,818
Depreciation, amortisation and impairment	5,643	5,292
Technology costs	1,619	1,129
Recruitment and support	131	100
Maintenance of premises and equipment	3,439	3,973
Administration	2,298	1,973
Cleaning	646	604
Energy costs	3,488	2,179
Rent, Rates and other occupancy costs	1,007	861
Insurance	384	383
Security and transport	812	568
Catering supplies	3,617	4,057
Other support costs	962	884
Governance costs	638	629
Defined benefit pension costs	36	946
Legal costs	80	74
	<b>40,588</b>	<b>36,470</b>

Expenditure on charitable activities was £116,368k (2022 - £107,913k) of which £2,830k (2022 - £2,272k) was unrestricted, £5,643k (2022 - £5,292k) was restricted fixed asset fund and £107,895k (2022 - £100,349k) was restricted income funds.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**8. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2023 £000	2022 £000
Depreciation of tangible fixed assets	5,627	5,276
Amortisation of intangible assets	15	17
Fees paid to RSM UK Audit LLP and its associates for:		
- audit services - statutory audit	88	84
- other services - audit	12	17
- other services - non audit	29	4
Operating lease charge	2,417	1,967
Net interest on defined benefit pension liability	36	946

Fees payable for internal audit services during the year were £61k (2022 - £42k).

**9. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	57,194	49,683
Social security costs	5,978	5,269
Pension costs	12,363	16,424
<b>Total staff costs</b>	<b>75,535</b>	<b>71,376</b>
Agency staff costs	5,617	3,619
Staff restructuring costs	206	113
	<b>81,358</b>	<b>75,108</b>

Staff restructuring costs comprise:

	2023 £000	2022 £000
Redundancy payments	124	56
Severance payments	82	57
	<b>206</b>	<b>113</b>

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**9. Staff (continued)**

**b. Exit payments**

The Academy Trust paid 5 severance payments and 25 redundancy payments in the year, disclosed in the following bands:

	2023 No.
£0 - £25,000	29
£25,001 - £50,000	1
	<u>30</u>

**c. Special staff severance payments**

**Staff severance payments**

Included in staff costs are non-statutory/non-contractual severance payments totalling £nil (2022 - £3,105).

**d. Staff numbers**

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

	2023 No.	2022 No.
Teachers	715	711
Administration and support	1,127	1,010
Management	170	138
	<u>2,012</u>	<u>1,859</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	642	667
Administration and support	690	646
Management	164	135
	<u>1,496</u>	<u>1,448</u>

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**9. Staff (continued)**

**e. Higher paid staff**

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	52	39
In the band £70,001 - £80,000	36	27
In the band £80,001 - £90,000	9	5
In the band £90,001 - £100,000	6	6
In the band £100,001 - £110,000	4	1
In the band £110,001 - £120,000	2	4
In the band £120,001 - £130,000	3	1
In the band £130,001 - £140,000	2	3
In the band £140,001 - £150,000	1	-
In the band £150,001 - £160,000	1	-
In the band £200,001 - £210,000	-	1
In the band £230,001 - £240,000	1	-

**f. Key management personnel**

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1.

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,466,266 (2022 - £750,659).

The increase in cost is due to the addition of the three Senior Executive Principals and the Director of Finance and Procurement acting as the Chief Financial Officer whilst the Chief Operating and Finance Officer is seconded to another academy trust.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**10. Central services**

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

- School improvement
- Financial management
- Audit service
- HR and legal advice
- Estates management
- Curriculum design
- Staff deployment and recruitment
- Data support
- Business services
- Health and safety
- Compliance and communications
- Marketing and media
- IT support
- Web design
- Procurement
- Safeguarding

The academy trust charges for these services on the following basis:

A flat 6% of income received excluding targeted grants of secondary income and a flat £20k for primary income (2022: 5% of income received excluding targeted grants for all academics).

The actual amounts charged during the year were as follows:

	2023 £000	2022 £000
The Blyth Academy	314	251
Dyke House Sports & Technology College	512	399
Freebrough Academy	310	251
The Grangefield Academy	385	318
Kearsley Academy	268	215
Kirk Balk Academy	451	360
Manor Academy	411	333
North Shore Academy	269	205
Red House Academy	158	130
Thorp Academy	440	355
Walbottle Academy	595	485
Hetton Academy	243	-
Abbey Park Primary Academy	20	49
Badger Hill Academy	20	39
The Ferns Primary Academy	20	96
Frederick Nattrass Primary Academy	20	56
Hilton Primary Academy	20	99
Merlin Top Primary Academy	20	76
Mount Pellon Infants & Junior Primary Academy	20	87
Norton Primary Academy	20	74
The Oak Tree Academy	20	77
Whiteliffe Academy	20	28
<b>Total:</b>	<b>4,556</b>	<b>3,983</b>

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**11. Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

Rob Tarn (Chief Executive and Trustee): Remuneration £232,576 (2022: £206,867) Employer's pension contributions paid £30,887 (2022: £34,310). Included in the £232,576 is pay award backpay of £7,576.

During the period ended 31 August 2023, travel and subsistence expenses totalling £741 were reimbursed or paid directly to 1 trustee (2021: £751 to 4 trustees).

Other related party transactions involving the trustees are set out in note 30.

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2023 was £3,001 (2022 - £2,587). The cost of this insurance is included in the total insurance cost.

**13. Intangible assets**

	Computer software £000
<b>Cost</b>	
At 1 September 2022	141
At 31 August 2023	141
<b>Amortisation</b>	
At 1 September 2022	66
Charge for the year	15
At 31 August 2023	81
<b>Net book value</b>	
At 31 August 2023	60
At 31 August 2022	75

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**14. Tangible fixed assets**

	Leasehold property £000	Furniture and fixtures £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2022	170,418	2,304	4,415	40	177,177
Additions	3,006	7	81	-	3,094
Acquired on conversion	1,427	-	-	-	1,427
Disposals	-	-	(639)	-	(639)
At 31 August 2023	174,851	2,311	3,857	40	181,059
<b>Depreciation</b>					
At 1 September 2022	28,008	1,970	2,605	40	32,623
Charge for the year	4,785	143	699	-	5,627
On disposals	-	-	(639)	-	(639)
At 31 August 2023	32,793	2,113	2,665	40	37,611
<b>Net book value</b>					
At 31 August 2023	142,058	198	1,192	-	143,448
At 31 August 2022	142,410	334	1,810	-	144,554

On the 1st September 2022 Hetton School converted to Hetton Academy and joined the trust. The fair value of the assets transferred were £1,427k (note 25)

**15. Debtors**

	2023 £000	2022 £000
<b>Due within one year</b>		
Trade debtors	195	261
Other debtors	93	61
Prepayments and accrued income	2,578	1,889
VAT recoverable	1,117	1,212
	<u>3,983</u>	<u>3,423</u>

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**16. Creditors: Amounts falling due within one year**

	2023 £000	2022 £000
Trade creditors	322	844
Other taxation and social security	1,379	1,269
Other creditors	1,557	1,355
Accruals and deferred income	6,369	5,567
	<u>9,627</u>	<u>9,035</u>

Included in other creditors due within one year is a loan of £9k (2022 - £17k) from Salix which is provided on the following terms; repayment of £9k every 6 months, no interest is payable on the loan. A further £nil (2022 - £9k) is due after more than one year and is detailed in note 17.

	2023 £000	2022 £000
<b>Deferred income</b>		
Deferred income at 1 September	-	47
Amounts released from previous periods	-	(47)
<b>Deferred income</b>	<u>-</u>	<u>-</u>

**17. Creditors: Amounts falling due after more than one year**

	2023 £000	2022 £000
Other loans	-	9
	<u>-</u>	<u>9</u>



**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**18. Statement of funds**

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
<b>Unrestricted funds</b>						
Unrestricted funds	9,239	4,351	(2,830)	-	-	10,760
<b>Endowment funds</b>						
Endowment fund	1,438	-	-	-	-	1,438
<b>Restricted general funds</b>						
General Annual Grant (GAG)	2,456	87,828	(87,629)	(651)	-	2,004
Pupil premium	-	7,116	(7,116)	-	-	-
Other DfE/ESFA grants	-	4,654	(4,654)	-	-	-
Local Authority grants	-	812	(812)	-	-	-
SEN from Local Authority	-	1,594	(1,594)	-	-	-
Other government grants	-	113	(113)	-	-	-
Nursery grants and EYSPF	-	1,118	(1,118)	-	-	-
Main school additional grant	-	1,391	(1,391)	-	-	-
School supplementary grant	-	2,489	(2,489)	-	-	-
Pension reserve	(3,300)	(431)	(979)	-	4,774	64
	(844)	106,684	(107,895)	(651)	4,774	2,068
<b>Restricted fixed asset funds</b>						
DfE/ESFA grants	1,953	316	(71)	-	-	2,198
Other DfE capital grant	(725)	1,874	(1,585)	-	-	(436)
Sponsorship capital contribution	725	-	(185)	-	-	540
Assets inherited on conversion	107,660	1,427	(2,597)	-	-	106,490
Assets inherited on transfer	31,449	-	(710)	-	-	30,739
Capital expenditure from GAG	5,225	-	(495)	651	-	5,381
	146,287	3,617	(5,643)	651	-	144,912
<b>Total Restricted funds</b>	145,443	110,301	(113,538)	-	4,774	146,980
<b>Total funds</b>	156,120	114,652	(116,368)	-	4,774	159,178

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

**18. Statement of funds (continued)**

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

- (i) GAG balance carry forward is to be used for recurrent expenditure in the forthcoming period. Under the trust's Funding Agreement with the Secretary of State the trust was not subject to a limit of GAG which could be carried forward as at 31 August 2023.
- (ii) Restricted Fixed Asset Funds relate to income received from the DfE, other government grants, transfers from GAG income and income from sponsors of individual companies prior to the merger of the trust. The funds balance includes donated capital, being academy buildings, contents and ICT assets. The depreciation relating to the assets procured is charged against these funds over the life of the assets.
- (iii) Unrestricted Funds relate to funds brought forward upon individual schools integrating with the trust and self generated income by the trust's academics.
- (iv) Restricted Pension Fund is in surplus to the value of £64k (2022 - £3,033k deficit) at the year end.
- (v) A total of £651k (2022 - £2,067k) has been transferred from restricted general funds to restricted fixed asset funds to take account of the capital items that have been purchased using GAG funds.
- (vi) Endowment Funds were inherited on conversion. The balance remains unchanged from previous years at £1,438k.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
<b>Unrestricted funds</b>						
Unrestricted funds	8,448	3,063	(2,272)	-	-	9,239
<b>Endowment funds</b>						
Endowment fund	1,438	-	-	-	-	1,438
<b>Restricted general funds</b>						
• General Annual Grant (GAG)	2,245	81,704	(79,426)	(2,067)	-	2,456
Pupil premium	-	6,515	(6,515)	-	-	-
• Other DfE/ESFA grants	-	4,456	(4,456)	-	-	-
Local Authority grants	-	457	(457)	-	-	-
SEN from Local Authority	-	1,373	(1,373)	-	-	-
Other government grants	-	110	(110)	-	-	-
Nursery grants and EYSPF	-	1,070	(1,070)	-	-	-
Pension reserve	(55,036)	-	(6,942)	-	58,678	(3,300)
	<u>(52,791)</u>	<u>95,685</u>	<u>(100,349)</u>	<u>(2,067)</u>	<u>58,678</u>	<u>(844)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA grants	1,699	299	(45)	-	-	1,953
Other DfE capital grant	745	139	(1,609)	-	-	(725)
Sponsorship capital contribution	902	-	(177)	-	-	725
Assets inherited on conversion	109,764	-	(2,104)	-	-	107,660
Assets inherited on transfer	32,159	-	(710)	-	-	31,449
Capital expenditure from GAG	3,805	-	(647)	2,067	-	5,225
	<u>149,074</u>	<u>438</u>	<u>(5,292)</u>	<u>2,067</u>	<u>-</u>	<u>146,287</u>
<b>Total Restricted funds</b>	<u>96,283</u>	<u>96,123</u>	<u>(105,641)</u>	<u>-</u>	<u>58,678</u>	<u>145,443</u>
<b>Total funds</b>	<u>106,169</u>	<u>99,186</u>	<u>(107,913)</u>	<u>-</u>	<u>58,678</u>	<u>156,120</u>

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**18. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2023 were allocated as follows:

	2023 £000	2022 £000
The Ferns Primary Academy	15	15
Hilton Academy	15	15
Merlin Top Primary Academy	15	15
Mount Pellon Infants & Junior Academy	15	15
Kearsley Academy	15	15
North Shore Academy	15	15
Dyke House Sports & Technology College	15	15
Abbey Park Primary Academy	15	15
The Grangefield Academy	15	15
The Blyth Academy	15	15
Frederick Nattrass Primary Academy	15	15
The Oak Tree Academy	15	15
Norton Primary Academy	15	15
Kirk Balk Academy	15	15
Manor Academy	15	15
Red House Academy	15	15
Thorp Academy	15	15
Badger Hill Primary Academy	15	15
Whitecliffe Primary Academy	15	15
Freebrough Academy	15	15
Walbottle Academy	15	15
Hetton Academy	15	-
The Centre	12,434	11,380
<b>Total before fixed asset funds and pension reserve</b>	<b>12,764</b>	<b>11,695</b>
Restricted fixed asset fund	144,912	146,287
Endowment fund	1,438	1,438
Pension reserve	64	(3,300)
<b>Total</b>	<b>159,178</b>	<b>156,120</b>

Trustees take seriously their responsibility to ensure the trust continues as a going concern over the medium term. Given the current overall economic climate, pressure on government spending, changes in establishing national oversight of academics and MAT's and funding of Local Government Pension Schemes (LGPS), medium term financial planning is a high priority for trustees.

The trust continues to successfully evidence an effective and progressive approach to Financial Planning and Management with a seamless link to both school improvement and continuous student welfare. Overall the trust's free reserves have risen incrementally (2012/13: £2m to £12.7m in 2022/23) providing financial stability. Having this solid foundation, the trust has been able to invest substantially in school improvement and IT throughout the year.

As per the reserves policy outlined in the Trustees' Report, trustees have considered individual academy reserves within the academy trust with the plan going forward to manage funds (at £15k per academy) at a trust level. These funds will better support a new, consistent and student focussed approach to school improvement across all academies.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**18. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	Total 2022 £000
The Ferns Primary Academy	1,579	415	71	436	2,501	2,495
Hilton Academy	1,595	438	56	488	2,577	2,640
Merlin Top Primary Academy	1,435	186	100	568	2,289	2,247
Mount Pellon Infants & Junior Academy	1,481	328	54	371	2,234	2,271
Kearsley Academy	2,986	778	314	977	5,055	4,777
North Shore Academy	3,358	797	277	942	5,374	5,398
Dyke House Sports & Technology College	6,082	1,097	415	1,493	9,087	9,376
Abbey Park Primary Academy	1,070	283	27	228	1,608	1,520
The Grangefield Academy	4,142	702	335	1,020	6,199	6,144
The Blyth Academy	3,649	875	244	1,291	6,059	6,149
Frederick Nattrass Primary Academy	1,088	294	33	247	1,662	1,717
The Oak Tree Academy	1,379	292	44	348	2,063	2,195
Norton Primary Academy	1,633	228	66	351	2,278	2,238
Kirk Balk Academy	4,965	1,091	427	1,996	8,479	7,996
Manor Academy	4,570	850	353	1,514	7,287	7,245
Red House Academy	2,218	633	163	901	3,915	3,782
Thorp Academy	6,124	909	390	1,403	8,826	8,228
Badger Hill Primary Academy	774	119	25	205	1,123	1,249
Whitecliffe Primary Academy	567	144	27	1163	901	870
Freebrough Academy	3,656	978	302	1,371	6,307	5,978
Walbottle Academy	6,904	899	539	2,872	11,214	10,943
Hetton Academy	3,465	501	229	1,284	5,479	-
The Centre	850	2,951	221	4,186	8,208	7,163
<b>Academy Trust</b>	<b>65,570</b>	<b>15,788</b>	<b>4,712</b>	<b>24,655</b>	<b>110,725</b>	<b>102,621</b>

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Endowment funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	143,448	-	143,448
Intangible fixed assets	-	-	60	-	60
Current assets	10,790	11,601	1,404	1,438	25,233
Creditors due within one year	(30)	(9,597)	-	-	(9,627)
Provisions for liabilities and charges	-	64	-	-	64
<b>Total</b>	<b>10,760</b>	<b>2,068</b>	<b>144,912</b>	<b>1,438</b>	<b>159,178</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Endowment funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	144,554	-	144,554
Intangible fixed assets	-	-	75	-	75
Current assets	9,239	11,500	1,658	1,438	23,835
Creditors due within one year	-	(9,035)	-	-	(9,035)
Creditors due in more than one year	-	(9)	-	-	(9)
Provisions for liabilities and charges	-	(3,300)	-	-	(3,300)
<b>Total</b>	<b>9,239</b>	<b>(844)</b>	<b>146,287</b>	<b>1,438</b>	<b>156,120</b>

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**20. Reconciliation of net expenditure to net cash flow from operating activities**

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of financial activities)	(1,716)	(8,727)
<b>Adjustments for:</b>		
Amortisation	15	17
Depreciation	5,627	5,276
Interest receivable	(482)	(1)
Defined benefit pension scheme cost less contributions payable	943	5,996
Defined benefit pension scheme finance cost	36	946
(Increase)/decrease in debtors	(560)	1,258
Increase/(decrease) in creditors	592	(559)
Capital grants from DfE and other capital income	(4,548)	(2,065)
Net gain on transfer from Local Authority on conversion	(1,452)	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(1,545)</b>	<b>2,141</b>

**21. Cash flows from financing activities**

	2023 £000	2022 £000
Cash outflow to Salix loan	(9)	(17)
<b>Net cash used in financing activities</b>	<b>(9)</b>	<b>(17)</b>

**22. Cash flows from investing activities**

	2023 £000	2022 £000
Investment income	482	1
Purchase of tangible fixed assets	(3,094)	(3,472)
Capital grants from DfE Group	4,548	2,065
Cash transferred on conversion from Local Authority on conversion	456	-
<b>Net cash provided by/(used in) investing activities</b>	<b>2,392</b>	<b>(1,406)</b>

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**23. Analysis of cash and cash equivalents**

	2023 £000	2022 £000
Cash in hand and at bank	21,250	20,412
<b>Total cash and cash equivalents</b>	<b>21,250</b>	<b>20,412</b>

**24. Analysis of changes in net debt**

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	20,412	838	21,250
Debt due after 1 year	(9)	9	-
	<b>20,403</b>	<b>847</b>	<b>21,250</b>

**25. Conversion to an academy trust**

On 1st September 2022 Hetton School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Northern Education Trust from Sunderland City Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities.

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

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	1,427	1,427
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	409	-	-	409
Cash - representing unspent capital school funds	-	-	47	47
<b>Non-current liabilities</b>				
Pension - pension liabilities	-	(431)	-	(431)
<b>Net assets/(liabilities)</b>	<b>409</b>	<b>(431)</b>	<b>1,474</b>	<b>1,452</b>

The total income and endowments and net income/expenditure comprise total income of £6,452k and net income/expenditure of £718k contributed by Hetton Academy between the date of transfer and 31 August 2023.



---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

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

---

**26. Contingent liabilities**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the trust is required either to re-invest the proceeds or to repay to the ESFA the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the trust serving notice, the trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the trust's assets held for the purpose of the trust; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

---

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

---

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

---

**27. Pension commitments**

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. Both are multi-employer defined benefit schemes.

The geographical location of the Trust's 22 academies mean that the Trust is part of six different local government pension schemes. These are

- Greater Manchester Pension Scheme
- Northumberland Pension Scheme
- Teesside Pension Scheme
- West Yorkshire Pension Scheme
- South Yorkshire Pension Scheme
- Tyne & Wear Pension Scheme

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

- Contributions amounting to £1,396k were payable to the schemes at 31 August 2023 (2022 - £1,211k) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrollment. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. 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 specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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 26 October 2023. The key elements of the valuation and subsequent consultation 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 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

The employer's pension costs paid to TPS in the year amounted to £8,391k (2022 - £7,530k)

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

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

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**27. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £4,114k (2022 - £3,840k), of which employer's contributions totalled £3,029k (2022 - £2,898k) and employees' contributions totalled £1,085k (2022 - £942k). The agreed contribution rates for future years are 14.9-20.7 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

During the year Hetton School transferred in to the academy trust. The obligation in respect of employees who transferred with Hetton School to the academy trust representing their cumulative service to the predecessor employer was recognised in the SoFA as part of the gain/(loss) on transfer as set out in note 25.

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**

	Rate of increase on salaries		Rate of increase for pensions in payment/inflation		Discount rate for scheme liabilities	
	2023	2022	2023	2022	2023	2022
	%	%	%	%	%	%
Ferus	3.75	3.80	2.95	3.05	5.20	4.25
Hilton	4.10	4.20	2.60	2.70	5.00	4.10
Merlin Top	3.85	3.95	2.60	2.70	5.10	4.10
Mount Pellon	3.85	3.95	2.60	2.70	5.10	4.10
Kearsley	3.80	3.80	3.00	3.05	5.20	4.25
North Shore	4.00	4.05	3.00	3.05	5.20	4.20
Dyke House	4.00	4.05	3.00	3.05	5.20	4.20
Abbey Park	3.85	3.95	2.60	2.70	5.10	4.10
Grangefield	4.00	4.05	3.00	3.05	5.20	4.20
Blyth	3.85	4.30	2.60	2.80	5.10	4.10
Frederick Natrass	4.00	4.05	3.00	3.05	5.20	4.20
Oak Tree	4.00	4.05	3.00	3.05	5.20	4.20
Norton	4.00	4.05	3.00	3.05	5.20	4.20
Kirk Balk	3.60	4.20	3.00	3.20	5.20	4.25
Manor	4.00	4.05	3.00	3.05	5.20	4.20
Red House	4.10	4.20	2.60	2.70	5.00	4.10
Thorp	4.10	4.20	2.60	2.70	5.00	4.10
Badger Hill	4.00	4.05	3.00	3.05	5.20	4.20
Whitedliffe	4.00	4.05	3.00	3.05	5.20	4.20
Freebrough	4.00	4.05	3.00	3.05	5.20	4.20
Walbottle	4.10	4.20	2.60	2.70	5.00	4.10
Hetton	4.10		2.60		5.00	
NET	4.10	4.20	2.60	2.70	5.00	4.10

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**27. Pension commitments (continued)**

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

	2023				2022			
	Males		Females		Males		Females	
	Retiring today	Retiring in 20 years	Retiring today	Retiring in 20 years	Retiring today	Retiring in 20 years	Retiring today	Retiring in 20 years
Mortality								
Ferus	19.3	19.1	23.3	24.4	20.3	21.6	23.2	25.1
Hilton	21.0	22.2	24.1	25.5	21.8	23.5	25.0	26.7
Merlin Top	21.0	22.2	24.1	25.1	21.8	22.5	24.6	25.7
Mount Pellon	21.0	22.2	24.1	25.1	21.8	22.5	24.6	25.7
Kearsley	19.3	20.5	23.3	24.5	20.3	21.6	23.2	25.1
North Shore	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Dyke House	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Abbey Park	21.0	22.2	24.1	25.1	21.8	22.5	24.6	25.7
Grangefield	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Blyth	21.0	22.2	24.1	25.5	21.8	23.5	25.0	25.1
Frederick Natrass	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Oak Tree	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Norton	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Kirk Balk	20.6	21.4	23.6	25.0	22.6	24.1	25.4	27.3
Manor	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Red House	21.0	22.2	24.1	25.5	21.8	23.5	25.0	26.7
Thorp	21.0	22.2	24.1	25.5	21.8	23.5	25.0	26.7
Badger Hill	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Whitecliffe	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Freebrough	20.5	21.3	23.5	25.0	21.7	22.9	23.5	25.3
Walbottle	21.0	22.2	24.1	25.5	21.8	23.5	25.0	26.7
Hetton	21.0	22.2	24.1	25.5				
NET	21.0	22.2	24.1	25.5	21.8	23.5	25.0	26.7

**Share of scheme assets**

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

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	54,957	50,404
Corporate bonds	2,668	2,460
Property	12,559	10,429
Cash and other liquid assets	2,739	5,901
Other	5,352	4,056
Other bonds	6,437	5,895
<b>Total market value of assets</b>	<b>84,712</b>	<b>79,145</b>

The actual return on scheme assets was £1,721k (2022 - £1,315k).

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**27. Pension commitments (continued)**

The amounts recognised in the Statement of financial activities are as follows:

	2023 £000	2022 £000
Current service cost	(3,972)	(8,745)
Past service cost	-	(149)
Net interest cost	(36)	(946)
Transfer of liabilities in	(431)	-
<b>Total amount recognised in the Statement of financial activities</b>	<b>(4,439)</b>	<b>(9,840)</b>

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

	2023 £000	2022 £000
<b>At 1 September</b>	<b>82,445</b>	<b>130,265</b>
Current service cost	3,972	8,745
Transferred in on conversion of academy	1,680	-
Interest cost	3,450	2,245
Employee contributions	1,085	942
Actuarial gains	(15,998)	(58,662)
Benefits paid	(1,517)	(1,239)
Past service costs	-	149
<b>At 31 August</b>	<b>75,117</b>	<b>82,445</b>

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

	2023 £000	2022 £000
<b>At 1 September</b>	<b>79,145</b>	<b>75,229</b>
Transferred in on conversion of academy trusts	1,249	-
Expected return on assets	3,414	1,299
Actuarial (losses)/gains	(1,693)	16
Employer contributions	3,029	2,898
Employee contributions	1,085	942
Benefits paid	(1,517)	(1,239)
<b>At 31 August</b>	<b>84,712</b>	<b>79,145</b>

---

**NORTHERN EDUCATION TRUST**  
**(A company limited by guarantee)**

---

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

---

	2023 £000
Present value of defined benefit obligations	(75,117)
Fair value of plan assets	84,712
Net assets	9,595
Restriction to level of asset ceiling	(9,531)
Net asset recognised in the balance sheet	<u>64</u>

The value of the academy trust's share of net assets 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.

**NORTHERN EDUCATION TRUST**  
(A company limited by guarantee)

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

**28. Operating lease commitments**

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

	2023 £000	2022 £000
<b>Land and Buildings</b>		
Within 1 year	2,221	1,933
Between 1 and 5 years	8,885	7,732
After more than 5 years	15,575	14,606
	26,681	24,271
 <b>Other</b>		
Within 1 year	193	40
Between 1 and 5 years	474	69
	667	109

Included in the above is an annual charge of £2,221k (2022 - £1,432k) which relates to the commitment for the buildings which are part of a PFI arrangement.

---

## NORTHERN EDUCATION TRUST

(A company limited by guarantee)

---

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

---

#### 29. 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 a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

#### 30. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, 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.

##### Related Party Transaction

East Durham College – a company in which Ms Suzanne Duncan (a trustee) is the Chief Executive Officer:

- East Durham College have delivered alternative education for a number of vulnerable students meeting their specific need and tailored to the student's wellbeing and outcomes. The total value of the transactions were £nil (2022: £37,500) during the period. There were no amounts outstanding at 31 August 2023 (2022: £nil)
- The academy trust sought various provisions to best meet students' needs and specifically chose East Durham College, because of its tailored facilities to support these students.
- In entering into the transaction, the academy trust has complied with the requirements of the Academy Trust Handbook.
- The element above £2,500 has been provided 'at no more than cost' and East Durham College has provided a statement of assurance confirming this.

GLL (Leisure Services Newcastle) – a company in which Mr Christopher Roberts (vice chair of trust) is a trustee:

- GLL are a charitable organisation that are responsible for running the leisure services of Newcastle City Council. Hilton Academy is situated in the borough of Newcastle City Council and it is a statutory requirement that all primary schools provide swimming classes for their students. The total value of the transactions were £4,080 (2022: £3,600). There were no amounts outstanding at 31 August 2023 (2022: £nil).
- The trust has undertaken an exercise which has been shared with all trustees, which established that there were no other feasible options for Hilton Academy to take their students swimming in the borough of Newcastle. The trust looked at a number of private leisure clubs, which required a far more expensive membership per student. Trustees were satisfied that the value for money elements had been satisfied and that Christopher Roberts himself had a small enough voting right, not to be influential in the decision-making process.

Farringdon Community Academy – a school in which Ms Suzanne Duncan (a trustee) is a member of the governing body

- Farringdon Community Academy is a school in the borough of Sunderland City Council. Farringdon Community Academy are the lead school for the Sunderland sports partnership. Each school in Sunderland are required to pay a £50 fee to join the sports partnership. The total value of the transactions were £nil (2022: £50). There were no amounts outstanding at 31 August 2023 (2022: £nil)

North East Learning Trust – a company in which Suzanne Duncan (trustee) is a trustee

- North East Learning trust is a charitable organisation and a multi academy trust. They provide the funding for School Led Initial Teacher Training (SCITT). The SCITT enables graduates to undertake their training within a school environment, leading to Qualified Teacher Training Status.
- During the year, Red House Academy recruited one graduate that was eligible for support under the SCITT scheme.
- The trust received £1,100 from North East Learning Trust in respect of support for the eligible graduate in order to complete their Qualified Teacher Training Status. There were no amounts outstanding at 31 August 2023 (2022: £nil)



---

**'NORTHERN EDUCATION TRUST'**  
**(A company limited by guarantee)**

---

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

---

**30. Related party transactions (continued)**

Delta Academics Trust – a company in which Mr Robert Tarn's (Accounting Officer and trustee) brother is Accounting Officer and a Trustee:

- Delta Academics Trust is a charitable organisation and a multi academy trust in the north of England.
- During the year Delta Academics Trust hosted a two-day conference for large multi academy trusts, the fees paid were the delegate day rates and accommodation fees that the trust reimbursed Delta Academics Trust for. The total value of the transactions were £2,010 (2022: £nil). There were no amounts outstanding at 31 August 2023 (2022: £nil)

Schools North East – a company in which Ms Jo Heaton (a trustee) is a trustee of the company:

- Schools North East is a company that is a school led regional network and is the only of its kind in the UK.
- The aim of the organisation is to create a unique culture of collaboration and mutual support amongst North East Schools to ensure the best possible outcomes for all of the regions young people.
- During the year Northern Education Trust paid subscription fees to Schools North East to be part of the family of North East Schools that collaborate and be well informed of local educational insights. The total value of the transactions were £3,962 (2022: £nil). There were no amounts outstanding at 31 August 2023 (2022: £nil)

Harbour Learning Trust – a company in which Mr Gareth Edmunds is seconded to as Accounting Officer:

- Harbour Learning Trust is a charitable organisation and a multi academy trust.
- During the year the trust received £164,427 (2022: £nil) for salary recharges for staff seconded to Harbour Learning Trust. At 31 August 2023 £89,292 (2022: nil) was outstanding.

Kielder Observatory – a company in which Mr Tom Grievson (Deputy Chair and trustee) is a trustee of the company:

- Kielder Observatory is public astronomical observatory located in Northumberland.
- During the year NET students visited Kielder Observatory, at no cost to the Trust, and the Trust received £1,711 (2022: £nil) for reimbursement of travel costs. There were no amounts outstanding at 31 August 2023 (2022: £nil)

**31. Post balance sheet events**

On 1st September 2023, Farrington Community Academy transferred into the trust. The financial impact of this transaction is currently unknown as the building and pension valuations are currently outstanding.

**32. Agency arrangements**

The trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £56k (2022 - £47k) and disbursed £15k (2022 - £16k) from the fund. An amount of £115k (2022 - £74k) is included in other creditors relating to undistributed funds that is repayable to ESFA. The trust retained a beneficial interest in individual transactions such that less than £1k has been recognised in income and expenditure in the statement of financial activities.