

Registered Number: 07195175 (England & Wales)

NEW COLLEGE DURHAM ACADEMIES TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



NEW COLLEGE DURHAM ACADEMIES TRUST

**Report and Financial Statements
For the year ended 31st August 2021**

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NEW COLLEGE DURHAM ACADEMIES TRUST

Members

K D Fairley
J Drummond-Hill
M Wade (until 28th April 2021)
L Wight

Trustee

K D Fairley¹ (Chair)
C Warren (Vice Chair)
A Broadbent¹
H Owen
A Shields
A Stephenson¹
B Frean
V Somerville
J Low (from 15th October 2020)
P Bradley (from 14th October 2021) ¹
I Jewell (Resigned 25th March 2021)

¹ Member of Audit and Risk Committee

Company Secretary:

K Mould (until 31st August 2021)
R Robson (from 1st November 2021)

Senior Management Team:

Executive Principal
Accounting Officer
Chief Executive Officer
Accounting Officer
Principal
Deputy Principal
Deputy Principal
Deputy Principal
Deputy Principal
Chief Operating Officer
Corporate Director – ICT, Estate & Data

K Reynolds (Resigned 31st December 2021)
K Reynolds (Resigned 31st August 2021)
L Rodham (from 1st September 2021)
L Rodham (from 1st September 2021)
A Sweeten
R Sommerville
C Veide (Appointed 1st September 2020)
S Aldridge Appointed 12th October 2020)
C Brierly (Appointed 12th April 2021)
A Collishaw
K Broadfoot

Company Name:

New College Durham Academies Trust

Company Registration Number:

07195175 (England & Wales)

Principal and Registered Office:

New College Durham Academies Trust
Framwellgate Moor Campus
Durham
DH1 5ES

Independent Auditors:

Wylie & Bisset (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Bankers:

Lloyds Bank Plc
Market Place
Durham
DH1 3NL

Solicitors:

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

NEW COLLEGE DURHAM ACADEMIES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates two secondary academies. North Durham Academy is a 11-16 school, with a student capacity of 1,500 and serves the catchment area of Stanley. The sixth form provision at North Durham Academy closed with effect from August 2021. Consett Academy is a 11-19 school, with a student capacity of 1,700 and serves the catchment area of Consett. The combined student capacity is 3,200 and had a combined roll of 2,597.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of New College Durham Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as New College Durham Academies Trust.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Directors' Indemnities

The academy has purchased insurance to protect Directors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 10.

Method of Recruitment and Appointment or Election of Directors

Directors are appointed for a term of four years and are not subject to retirement by rotation. Sponsor and Co-Sponsor Directors are appointed and removed by the Sponsor and Co-Sponsor respectively. Trust Directors, Parent Directors and other Directors are appointed in accordance with the articles of association. The Chief Executive Officer, should they agree, will serve as a Director for the length of their employment.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Directors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors.

Organisational Structure

The Directors are responsible for setting general policy, adopting a strategic medium-term plan (3-5 years) annual development plan and medium-term financial plans, monitoring the Academies Trust by the use of budgets and making major decisions about the direction of the Academies Trust, capital expenditure and senior staff appointments.

During the period the Academy Trust Board operated a number of committees, including an Audit and Risk Committee, a Remuneration Committee, a Corporate Services Committee, a Quality Assurance and Improvement Progression Board and the Local Governing Bodies of North Durham Academy and Consett Academy, all with agreed terms of reference. Terms of reference has been established for all committees within the Academy Trust, which compliments the approved Scheme of Delegation. They set out the matters reserved for the Academy Trust Board, those delegated to the committees, the Local Governing Bodies and the Chief Executive Officer.

An Executive Leadership Team has been established to oversee the leadership of the Academy Trust. Leadership teams have been established at both Academies to undertake the day to day management of each Academy and are accountable to the Local Governing Bodies and the Academy Trust Board.

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Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of the academy's key management personnel are determined by the Academy Trust Board (ATB) with reference to both national and regional benchmarks, and any salary scales are underpinned by an analytical job evaluation scheme and are considered to be reasonable and defensible reflection of the individual's role and responsibilities and considers both educational and financial performance. Progression up these salary scales is based on performance, and is evaluated annually by a sub-committee of the ATB (Remuneration Committee).

The posts are considered for cost of living awards by the ATB, alongside all other staff, and the key measure for awards is one of affordability.

Related Parties and other Connected Charities and Organisations

New College Durham

New College Durham is the lead sponsor of the Academy Trust.

Durham County Council

Durham County Council is the co-sponsor of the Academy Trust, however is not deemed to be a related party. The Council provides numerous paid-for services to the Academies under Service Level Agreements.

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of North Durham Academy and Consett Academy to provide education for students of different abilities between the ages of 11 and 19 (11 and 16 at North Durham Academy).

The main objectives of the Academy Trust during the period ended 31 August 2021 were to ensure the successful on-going operations of both North Durham and Consett Academies. To achieve this, the Academy Trust has entered into relevant funding agreements with the Secretary of State for Education.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 19.

Academy Trust

The Academy Trust's main objective is the successful performance of both Academies. There is an expectation that all schools within the Academy Trust exceed national performance measures across all key measures and secure as a minimum a "Good" Ofsted rating. Where neither of these benchmarks occur action will be taken to ensure strategies are in place to allow rapid and sustainable improvements.

North Durham Academy – Background Information

North Durham Academy has 1016 students on roll with the intake increasing year on year. The academy continues to draw its pupils from Stanley and surrounding areas. The number of students joining the Academy with Special Educational Needs and Disability (SEND) is increasing, particularly those with Social, Emotional and Mental Health needs (SEMH). The proportion of students whom have special educational needs or disability is 27% (National Average 11.5%). North Durham Academy has a predominately white British student population, with very few students from ethnic groups and very few students whom speak English as an additional language 2% (National Average 19.2%) The Academy currently has 59.75% of students who are supported through the pupil premium fund which is significantly above the national average (28%) North Durham Academy continues to re-establish strong links with a range of local employers.

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Consett Academy – Background Information

Consett Academy has 1,581 students on roll, with the intake increasing year on year. The Academy continues to draw its students from Consett and the surrounding area. It successfully works with 11 partner primary schools, but often takes students from another 6 faith/non-faith primary schools in the area. In the last three years it has seen its Year 7 intake dramatically increase resulting in the Academy being oversubscribed.

Consett Academy has a predominately white British student population, with very few students from ethnic groups and very few students whom speak English as an additional language 1% (National Average 19.2%). The proportion of students whom have special educational needs or disability is 14% (National Average 11.5%), with increasing numbers within Years 7 and 8. The Academy currently has 34% of students who are supported through the pupil premium fund (National Average 28%). Consett Academy continues to embed strong links with a range of local employers.

A key priority was the timely appointment of a Principal for Consett Academy. This position was successfully appointed to in September 2021. With Tom Unwin to commence this position from 29th November 2021.

Public Benefit

The Academy Trust's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the Academy Trust's charitable purposes for the public benefit. The Directors have complied with the duty under Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission and the Directors have paid due regard to this guidance in deciding what activities the charity should undertake.

NEW COLLEGE DURHAM ACADEMIES TRUST - FUTURE PLANS

The founding principles of the Academy Trust are Excellence, Progression and Inclusion. These core principles under-pin everything within the Academy Trust.

With effect from 1st September 2021, the Academy Trust is led by Linda Rodham as the Academy Trust's Chief Executive Officer. The new strategic plan for the Academy Trust will become embedded during 2021/22, which has two key priorities; School Improvement and Trust Expansion. School Improvement will be at the heart of everything we do. The over-arching aim is for rapid school improvement to take place, which becomes embedded and sustainable. A School Improvement Team will be established to support this aim, during 2021/22. It is expected that the Academy Trust will stabilise the Ofsted rating at North Durham Academy and to improve the Ofsted rating at Consett Academy at the next inspections.

To strengthen the Academy Trust expansion is the second strategic aim. It is hoped that Wellfield Community School will join the Academy Trust. Wellfield Community School is a good school, with a strong track record of school improvement. It is envisaged that the school improvement strategies which have been successful at Wellfield Community School will be deployed across the Academy Trust. Staff can also benefit from career progression through a wider number of schools, with enhanced professional development. The strong Corporate Support Services and high level of reserves within the Academy Trust are able to benefit Wellfield Community School. A Trust Partnership Arrangement has been entered into, which will form the basis of the immediate relationship between Wellfield Community School and the Academy Trust. Overall this proposal would strengthen the Academy Trust and convert an existing maintained school into an Academy.

A future aim is that local good primary schools also join the Academy Trust. This would develop stronger links within the community. By having a family of strong primary schools within the Academy Trust, ultimately the Academy Trust would be able to support other primary schools.

There are a number of key positions which are to be occupied during 2021/22, including the Principal at Consett Academy, the School Improvement Team, the Director of HR and the Head of Governance, the majority will all be in post prior to the commencement of the Spring Term 2022.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and Performance – North Durham Academy

School Characteristics

	2018	2019	2020	2021
School Characteristics				
Numbers on roll	869	924	982	1,016
% pupils known to be eligible for Pupil Premium	51%	52%	52%	60%
% pupils speaking English as an additional language	2%	1%	2%	2%
% pupils with Special Needs Education (SEN) (including statements)	12%	14%	23%	27%

Student Outcomes Key Stage 4 – North Durham Academy

The Department for Education confirmed that exams in summer 2021 could not go ahead as planned. For summer 2021 exam boards asked exam centres to generate, for each subject, teacher assessed grades. These grades were based on a range of evidence completed as part of the course. The grades submitted reflected a fair, reasonable and carefully considered judgement of the student's performance, on the curriculum content that they had been taught. The Department for Education confirmed that qualification grades awarded, using alternative assessment arrangements in spring and summer 2021, will not be used to create performance table measures or qualification rates at school level or for use in accountability.

The data below relating to 2020 is the centre assessed grade and as this data is unvalidated there is a reduced level of assurance relating to the suggested improvements across the trust. The data relating to 2021 is teacher assessed grades as described above.

	2018	2019	2020	2021
Progress 8 (2020 and 21 progress based on internal data only)	-0.45	-0.36	+0.17	+0.18
English Progress	-0.28	-0.24	+0.18	+0.12
Maths Progress	-0.60	-0.72	-0.35	-0.05
English Baccalaureate (Ebacc) Progress	-0.90	-0.82	-0.27	+0.09
Open Progress	+0.03	+0.20	+0.96	+0.33
Basics (EM) 4+	47%	51%	57%	64%
Basics (EM) 5+	32%	27%	35%	40%
Attainment 8	39	41	46	45
Ebacc Attainment	16	10	18	13

Student Outcomes Key Stage 5

There is a small cohort in 2020/21.

Progress

Academic			
	2019	2020	2021
No of Students	4	0	0
No of Entries	5	0	0
Overall Value Added	0.18	0	0

Applied General			
	2019	2020	2021
No of Students	17	0	25
No of Entries	41	0	75
Overall VA	-0.10	0	+0.78

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Attainment

	Academic								
	2019			2020			2021		
	Acad	Nat	Gap	Acad	Nat	Gap	Acad	Nat	Gap
Overall Average Points Score (APS)	38	32	+6	0			36.47		
Overall Grade	B-	C+		0			Dist=		

NORTH DURHAM ACADEMY - FUTURE PLANS

North Durham Academy progress against 2020/21 targets together with 2021/22 targets are stated in the table below.

North Durham Academy 2021/22 Targets			
	2020/21 Target	2020/21 Actual	2021/22 Target
Progress 8	0.00	+0.18	+0.14
Basics % 5+	50%	40%	38%
Basics % 4+	71%	64%	61%
English Grade	4.59	4.80	4.58
English Progress	0.00	+0.09	-0.18
Maths Grade	5.2	4.15	4.34
Maths Progress	0.00	-0.05	-0.12
Ebacc Grade	4.9	4.20	4.02
Ebacc Progress	0.00	+0.09	-0.10
Open Grade	5.3	4.93	5.06
Open Progress	0.00	+0.43	+0.59
Overall Attendance	95%	87%	95%
Persistence Absentee	14%	38.96%	14%
Fixed Term Exclusion	11%	32%	11%
Permanent Exclusions	2	10	2

North Durham Academy's improvement plan has four areas for improvement as detailed below: -

- Quality of Education - To continue to improve and strengthen the quality and consistency of teaching through:
 - The development of a post pandemic curriculum
 - The assurance that all subject curriculum intent is fit for purpose
 - The assurance that implementation of all the curriculum has pace and challenge
 - The embedding of systems and procedures that ensure quality assurance and consistency of teaching and assessment so that all students make good progress over time
 - developing a numeracy and literacy strategy
 - The development of the effective delivery for all SEN students
- Behaviour and Attitudes – To improve students' attendance particularly disadvantaged students and boys. Improve some students' attitudes to learning, and ensure students take responsibility for their own learning. Detailed key priorities include:
 - Reduce the use of fixed term and permanent exclusions while maintaining high standards and expectations
 - Improve attendance.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

- Personal Development – to improve and or develop:
 - student voice
 - resilience in learning
 - the CEIAG provision
 - and embed an effective PD curriculum
- Leadership and Management – All leaders have a clear and ambitious vision for providing high-quality education to all students. Detailed key priorities include:
 - Drive their 5-year ambitious curriculum within their team
 - Have a greater effect on influencing the quality of teaching and students' outcomes in their subject areas
 - Having consistently high expectations of what students can do and achieve
 - Lead their teams to make better use of assessment information to plan and set learning activities that challenge students.

Achievements and Performance

Consett Academy

School Characteristics

	2018	2019	2020	2021
Numbers on roll	1408	1437	1547	1581
% pupils known to be eligible for Pupil Premium	37%	39%	37%	34%
% pupils speaking English as an additional language	3%	3%	3%	1%
% pupils with SEN (including statements)	9%	12%	13%	14%

The data below relating to 2020 is the centre assessed grade and as this data is unvalidated there is a reduced level of assurance relating to the suggested improvements across the trust. The data relating to 2021 is teacher assessed grades as described above.

Student Outcomes Key Stage 4

	2018	2019	2020	2021
Progress 8	-0.42	-0.19	+0.15	-0.12
English Progress	+0.44	-0.12	0.00	-0.29
Maths Progress	-0.80	-0.54	-0.08	-0.41
English Baccalaureate (Ebacc) Progress	-0.76	-0.16	+0.01	+0.03
Open Progress	+0.18	+0.28	+0.53	+0.04
Basics (EM) 4+	48%	49%	75%	59%
Basics (EM) 5+	26%	29%	47%	38%
Attainment 8	42	43	51	45
Ebacc Attainment	18	20	20	13

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Student Outcomes Key Stage 5

Progress Measures

Academic				
	2018	2019	2020	2021
No of Students	53	82	46	35
No of Entries	149	218	123	107
Overall VA	-0.14	-0.22	+0.56	+0.43

Attainment

	Academic								
	2019			2020			2021		
	Acad	Nat	Gap	Acad	Nat	Gap	Acad	Nat	Gap
Overall APS	32	32	0	38			41		
Overall Grade	C+	C+		B-			B=		

CONSETT ACADEMY - FUTURE PLANS

Consett Academy progress against 2020/21 targets together with 2021/22 targets are stated in the table below.

Consett Academy 2021/22 targets			
	2020/21 Target	2020/21 Actual	2021/22 Target
Progress 8	0.00	-0.12	0.00
Basics % 5+	59%	38%	59%
Basics % 4+	76%	59%	76%
English Grade	5.6	4.72	5.6
English Progress	0.00	-0.29	0.00
Maths Grade	5.5	4.1	5.5
Maths Progress	0.00	-0.41	0.00
Ebacc Grade	5.2	4.49	5.2
Ebacc Progress	0.00	+0.03	0.03
Open Grade	5.6	4.78	5.6
Open Progress	0.00	+0.04	+0.04
Overall Attendance	95%	87%	95%
Persistent Absentee	12%	45%	12%
Fixed Term Exclusions	6%	13%	6%
Permanent Exclusions	0	1	2

Consett Academy Development Plan 2021-22 has 4 priorities, linked to Ofsted categories detailed below:-

- **Quality of Education**
 - To ensure that the Academy's curriculum is ambitious and designed to give all pupils, particularly disadvantaged and those with SEND, the knowledge and cultural capital to success in life.
 - To improve the quality of teaching and learning and eradicate teaching that is not yet good.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

- To improve the quality of assessment and its contribution to teaching and learning
- To improve outcomes including progress 8 (year 11) and achievement (year 13) for all students, especially SEND and disadvantaged.
- To improve the quality of teaching and learning by embedding at least good routines for homework.
- Review the KS4 curriculum offer.
- To review the sixth form curriculum offer and continue to improve KS5 outcomes
- To introduce "Get Exam Ready" (lesson 6) for year 11 and maximise attendance
- Planned intervention for Year 13.
- **Behaviour and Attitudes**
 - To review Behaviour for Learning and trial any adjustments.
 - To reduce the use of fixed term exclusions while not compromising standards and expectations.
 - To ensure that the behaviour policy has 100% compliance and consistency. Relationships reflect a positive and respectful culture and ethos.
 - All staff to plan lessons consistently using the housestyle to ensure lessons are challenging with high BFL expectations.
 - To encourage and promote high attendance.
 - Promote and reward positive attitudes to learning through 100% compliance and consistency of the rewards policy.
- **Personal Development**
 - To ensure Personal Development adheres to statutory guidance and support removing barriers to learning.
 - Mental Health and Wellbeing.
- **Leadership and Management**
 - To review the appraisal policy and ensure application is consistent.
 - To develop both senior and middle leaders through internal and external staff development.
 - Selected Heads of department to complete B11 middle leaders training.
 - To ensure all staff receive training for the new Ofsted framework.

CORPORATE SERVICES – FUTURE PLANS

New College Durham Academies Trust Corporate Services team support and underpin the academic teams within the individual Academies. The Corporate Services team have updated the two-year strategic plan, with the following six key objectives.

- Development of Corporate Services to support and under-pin the new Academy Trust vision/strategic plan
- To ensure corporate structures, systems and resources are appropriate to support possible expansion of the Academy Trust
- Improving systems and infrastructure, which support school and Academy Trust improvement
- To ensure the financial stability of the Academy Trust
- Improving employee engagement by improving engagement, employee development, employee well-being and developing collaboration opportunities.
- Development of School Improvement, Assurance, external support and strong governance.

Going Concern

After making appropriate enquiries, the board of Directors has 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.

Financial Review

Most of the Academy Trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The Academy Trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2021, total expenditure of £17,203,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Academy Trusts objectives. At 31 August 2021 the net book value of fixed assets was £41,235,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in an actuarial gain of £364,000 recognised in the Statement of Financial Activities.

The Academy Trust held fund balances at 31 August 2021 of £37,409,000 comprising £36,208,000 of restricted funds and £1,201,000 of unrestricted funds.

Reserves Policy

The Academy Trust holds restricted and unrestricted funds (the attached financial statements detail these funds). Restricted and unrestricted funds are held:

- To provide funds which can be designated to specific areas such as investment in fixed assets over and above capital grants from the ESFA
- To meet future lifecycle costs associated with maintaining and replacing plant and equipment and infrastructure in the academies' new buildings
- To provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies

The level of reserves is reviewed by the Directors regularly throughout the year. The minimum level of reserves for the ongoing needs of the Academy Trust is reviewed by the Directors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy Trust is conscious of balancing the need to retain an acceptable level of reserves whilst not holding excessive reserves with no long-term plan for investment. It therefore considers the minimum level of reserves (excluding ring-fenced ICT and Premises reserves) to be at least 10% of income which is sufficient to cover 4 weeks routine expenditure and unexpected emergency costs.

In relation to General Reserves Directors expects the following:-

- General Reserves will be as a minimum 10% of General Annual Grant Income, which is deemed sufficient to cover 4 weeks expenditure (excluding depreciation).
- Individual Academies would not be required to automatically contribute to the general reserves as long as the general reserve is above this benchmark.
- Should the level of general reserves drop below the above limit contributions will be made from academy budgets until the above benchmarks is exceeded. The period of repayment and individual schools making the contribution will depend on the under-pinning reasons.
- Should the level of general reserves exceed the above limits a business case will be produced and the CEO may agree to fund any of the following activities:-

NEW COLLEGE DURHAM ACADEMIES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

- Additional support for an Academy within the Academy Trust
- Development of management/leadership capacity
- School Improvement initiatives, linked to the School Improvement plan
- Support of large-scale procurement exercises to implement efficiency programmes
- Supporting restructuring programmes
- Supporting agreed expenditure within the Business Continuity Planning
- Funding to support Academy Trust expansion initiatives

The Directors expect that sustainable long-term ICT and Premises ring-fenced refresh reserves are in place, which are under-pinned by the Academy Trust's capital strategy and long-term replacement schedules. Detailed expectations are as follows:-

- Fully funded Premises and ICT refresh reserves to be in place.
- An Academy Trust wide capital strategy to identify expenditure priorities, across the Trust estate, is in place which underpins the Premises and ICT reserve.
- Where required, increases are made to the reserves to ensure that the Premises and ICT reserves are sustainable.
- Devolved Formula Capital will continue to be allocated to the individual schools for Principals to agree in line with the Academy's individual capital strategy.

The Academy Trust's current level of free reserves are £1,201,000 and therefore are considered to be above the minimum level of reserves required for the ongoing needs of the Academy Trust.

Investment Policy

Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested only in the following:

- Interest bearing deposit accounts
- Fixed term deposits (less than 364 days)
- UK registered Banks
- Banks registered with the Financial Services Compensation Scheme

The Academy Trust invests surplus funds, interest rates are reviewed prior to each investment. This policy maximises investment return however the over-riding factor is minimising risks to the principal sum. At the Balance Sheet date, the Academy trust had £3,535,000 invested in deposit accounts with Lloyds Bank.

Principal Risks and Uncertainties

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

The Directors have assessed the major risks, to which the academy is exposed, in particular those relating to quality of teaching, progress of students, staffing, attendance of students, cyber-attacks and other operational areas of the Academy Trust, and its finances. To assist with the mitigation of risks relating to Covid19, a specific Covid19 risk register has been managed by the Academy Trust's Audit and Risk committee. The Directors

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, Covid19, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. During 2020/21 further work has been undertaken to embed the Board Assurance Framework to provide Trustees with further assurance of the Academy Trust's risks.

The Academy Trust has fully implemented the requirements of the Keeping Children Safe in Education procedures and all staff have received training in this area.

The Academy Trust has mitigated the risks relating to Covid19, with risk assessments for pupils, staff and general overarching risk assessments, Covid19 risk register, policy statements and full engagement with trade unions.

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

Disabled Persons

New College Durham Academies Trust is committed under legal duties (Equality Act 2010) to eliminating all forms of discrimination and encouraging good relations and diversity amongst our workforce and student population, through the management and implementation of the Public Sector Equality Duty (PSED) and policy for the Academy Trust.

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the academy. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment by making support resources available and through training and career development.

Covid19

As the Covid-19 pandemic continued during 2020/21 the Academy Trust ceased providing face to face education for all pupils with effect from 5th January 2021, with all students accessing remote learning. With effect from 8th March 2021 all students returned to face-to-face education, with twice weekly rapid testing taking place for secondary students.

Whilst additional expenditure was incurred due to the Covid19 crisis, there have been off-setting savings and therefore Directors do not consider that the Covid19 pandemic has affected the long-term sustainability of the Academy Trust during 2020/21. The Academy Trust took the decision to close the external lettings at North Durham Academy in line with government guidelines, during the Spring Term 2021. This has affected the ability to earn additional income to support the Academy. During the period when students were learning remotely the majority of staff worked from successfully from home, all corporate functions managed to operate remotely successfully.

Directors consider that the financial and operational control measures were unaffected by the pandemic. There have been no implications to defined pension liability or changes to the investment policy. Additionally, there have been no loosening of the Academy Trust's reserves policy, level of reserves and any changes to funds set aside for future commitments. External lettings staff at North Durham Academy were furloughed and the Academy Trust received £3,989 from the coronavirus job retention scheme during 2020/21.

A significant amount of work has been undertaken in response to the recovery curriculum to ensure students learning is not negatively affected long term. Directors note the level of support and challenge provided by the Academy Trust's main sponsors New College Durham throughout the pandemic. The longer terms of aims of the Academy Trust have not been affected by Covid19 as of the end of the reporting period.

Streamlined Energy and Carbon Reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force on 1st April 2019 for accounting periods commencing after this date, which places a duty on companies to report energy and carbon information including, its UK annual energy use, the intensity ratio, methodologies used in calculation and a narrative of measures taken to improve energy efficiency.

NEW COLLEGE DURHAM ACADEMIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The table below details the Streamlined Energy and Carbon report, including energy intensity ratio for the 2018/19, 2019/20 and 2020/21.

	Gas Charges	Electricity Charges	Bio Fuel Charges	Total energy cost	Energy Intensity Ratio – Gas	Electricity Intensity Ratio – Electricity	Energy Intensity Ratio – Bio-Fuel	Total Energy Intensity Ratio
2018/19	£48,811	£166,584	£10,572	£225,967	679.7	639.8	139.8	1,459.4
2019/20	£56,594	£228,956	£13,762	£299,313	774.0	594.5	128.9	1,497.5
2020/21	£65,984	£180,213	15,483	£261,680	712.7	498.7	112.7	1,323.2

The intensity ratio has been calculated by dividing the total KWh consumption by the number of pupil numbers. The improvement in the intensity ratios has been partially affected by Covid-19 and partial closures. Work continues to reduce the Academy Trust's carbon footprint with the bio-fuel boiler at North Durham Academy and Combined Heat and Power plan at Consett both being maximised.

Auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, 9th December 2021 and signed on the board's behalf by:

Signed



Karl Fairley
Trustee

NEW COLLEGE DURHAM ACADEMIES TRUST

Governance Statement

Scope of Responsibility

As Directors we acknowledge we have overall responsibility for ensuring that New College Durham Academies 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.

During 2020/21 the board of trustees had delegated the day-to-day responsibility to the Executive Principal, Mr K Reynolds 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 New College Durham Academies Trust and the Secretary of State for Education. With effect from 1st September 2021 Mrs L Rodham became the Academy Trust's Accounting Officer. The Accounting Officer is 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 Directors' Report and in the Statement of Trustees' Responsibilities. The board of Directors has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Director	Meetings attended	Out of a possible
K D Fairley (Chair)	4	4
C Warren (Vice Chair)	4	4
A Broadbent	4	4
H Owen	3	4
A Shields	4	4
A Stephenson	3	4
B Frean	3	4
V Somerville	4	4
J Low	2	3
I Jewell	3	3

Governance Review

A review of the Academy Trust's Governance arrangements was carried out by the internal audit service provider Wylie Bisset in January 2020. The conclusion reached was that the Academy Trust's governance arrangements provided Substantial Assurance in the controls in place.

In terms of effective operation and good practice the review identified:

- Each Board and Committee, with the exception of the Corporate Services Group, has a programme of work which sets out the meeting dates and the items to be discussed at the meeting, i.e. the reports and papers required for each meeting. Corporate Services Group now also has a programme of work.
- Declaration of interests are completed each year.
- Meetings are well organised with times set for each agenda item, which ensures that all items get an appropriate amount of discussion time.
- Boards and Committees of New College Durham Academies Trust all have documented Terms of Reference.
- A code of conduct is in place which all Board/Committee members are given and have to sign up to.

During 2020/21 the Academy Trust Board has reviewed the terms of reference for the Local Governing Bodies, and other committees. In addition, succession planning and membership of all the Academy Trust's committees has been reviewed and a skills audit undertaken of the Local Governing Bodies. A further Governance Review has been commissioned to be undertaken during the Autumn term 2021.

NEW COLLEGE DURHAM ACADEMIES TRUST

Governance Statement (continued)

The Audit and Risk Committee is a Committee of the main board of Directors and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the board. The role of the Audit and Risk Committee is to maintain an oversight of the Academy Trust's governance, risk management, internal control and value for money framework. It reports its findings annually to the board of Directors and the accounting officer as a critical element of the board's annual reporting requirements.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
A Broadbent (Chair)	4	4
K D Fairley	4	4
A Stephenson	2	4
P Bradley	4	4

During 2020/21 the Quality Assurance Improvement and Progression Board continued to meet which is a further sub-committee of the Academy Trust Board. The remit of this Board is

- To consider and approve targets for student progress, attainment and attendance.
- To receive reports, provide challenge and robustly debate on the progress towards targets, notably student progression and achievement by Year Groups and sub groups including SEND and Gifted and Talented.
- To monitor and evaluate the development and application of the quality strategy and the policies and procedures for quality assurance, self-assessment, improvement plans and curriculum and timetable provisions.
- To monitor and evaluate the application of equality and diversity policy, safeguarding, student exclusion and attendance.
- To monitor and review any other matters referred to it by ATB and advise and make recommendations to the ATB on the above as appropriate.

Attendance at the meetings in the year was as follows: -

Director	Meetings attended	Out of a possible
K Fairley	7	7
C Warren	7	7
A Shields	7	7
A Stephenson	6	7
V Somerville	7	7
J Murray*	2	7
J Low	5	5

* Non Director Member of the Committee

A further sub-committee of the Academy Trust Board is the Corporate Services Group, whom review the Corporate functions of the Academy trust. Attendance at the meetings in the year was as follows:

Director	Meetings attended	Out of a possible
K Fairley	4	4
A Broadbent	1	1
A Shields	4	4
P Bradley*	4	4
A Stephenson	1	4
B Frean	1	1

* Non Director Member of the Committee

NEW COLLEGE DURHAM ACADEMIES TRUST

Governance Statement (continued)

Review of Value for Money

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

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Directors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered significant savings and improved value for money. The Academy Trust has secured the following savings secured by the Corporate Services Team:-

- During 2020/21 the Catering contract has been re-tendered. Following a full tender process the catering provider has changed to Chartwells, the confirmed guarantee return (prior to capital amortisation) is £140,247.
- Continuation of internalisation of payroll, successful teachers pensions audit completed for 2020/21. This service is to be reviewed early in 2021/22 with the aim of providing a payroll service to other local educational providers.
- Management accounts have reported the on-going improving budget position throughout the financial year, even considering the additional pressures of Covid-19. Overall an improved budget position with an Academy Trust wide balance budget with healthy level of reserves.
- Securing external contracts of over £50k, due to ICT Support, HR & Grounds Maintenance.
- Implementation of a major comprehensive refresh programme during summer 2020/21.
- A full re-tender of the Financial Management System has been completed with the transfer to The Access Group to take place during 2021/22. Moving to The Access Group will allow greater integration between HR, Payroll, Financial Management, Budgeting and integrated curriculum and financial planning.
- Following the closure of the external lettings at North Durham Academy, due to Covid-19 it is pleasing to see the increasing number of lettings now taking place, with a significant increase in demand for external football pitches
- Other contracts re-tendered include electricity at North Durham Academy, Broadband, the facilities management contract at Consett Academy, and the lease agreement at North Durham Academy.

Further efficiencies planned for 2021/22 relate to increased income generation opportunities, premises savings at Consett Academy, utility savings at North Durham Academy and further increase in profitability of external lettings at North Durham Academy.

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 effectively, efficiently and economically. The system of internal control has been in place in New College Durham Academies Trust for the year ending 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of Directors have 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 Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Directors.

NEW COLLEGE DURHAM ACADEMIES TRUST

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 monthly financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Corporate Services Group 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

Governance Statement (continued)

- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Directors considered the need for a specific internal audit function and decided to appoint Auditone as internal auditor with effect from 1 September 2020.

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

- Risk Management
- Strategy and Business Planning
- IT/Safeguarding
- Follow Up/Review of outstanding recommendations

The auditor reported to the board of Directors, through the Audit and Risk committee on a termly basis on the operation of the systems of control and on the discharge of the board of Directors' financial responsibilities.

All work set out in the audit plan was completed as scheduled. Outstanding audit recommendations continue to be worked on, with termly updates of progress presented to the Audit and Risk Committee.

Wylie & Bisset (Audit) Limited have continued as the Academy Trust's external auditors during 2020/21.

Review of Effectiveness

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

- The work of the internal auditor
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

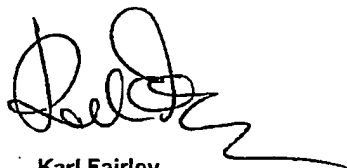
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system in place.

Approved by order of the members of the board of Directors on 9th December 2021 and signed on its behalf by:

Signed



L Rodham
Accounting Officer



Karl Fairley
Chair

NEW COLLEGE DURHAM ACADEMIES TRUST

Statement of Trustees' Responsibilities

As Accounting Officer of New College Durham Academies Trust I have considered my responsibility to notify the Academy Trust Board and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Trust Handbook 2020.

I confirm that I and the Academy Trust Board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Trust Handbook 2020.

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 Directors and ESFA.



L Rodham, Accounting Officer
9th December 2021

NEW COLLEGE DURHAM ACADEMIES TRUST

Statement of Trustees' Responsibilities

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to 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 9th December 2021 and signed on its behalf by:



K Fairley, Chair
Trust

NEW COLLEGE DURHAM ACADEMIES TRUST

Independent Auditor's Report on the Financial Statements to the Members of New College Durham Academies Trust

We have audited the financial statements of New College Durham Academies Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities Statement of Recommended Practice (SORP 2019) and the Academies Accounts Direction 2020 to 2021 issued by the Education & 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 2021, and of its incoming resources and application of resources 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 Charities Statement of Recommended Practice (SORP 2019) and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

NEW COLLEGE DURHAM ACADEMIES TRUST

Independent Auditor's Report on the Financial Statements to the Members of New College Durham Academies Trust

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 the Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the trustees, who are also the directors of New College Durham Academies Trust for the purposes of company law, are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following:

- The nature of the academy, the environment in which it operates, and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the academy and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the academy's operations

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Financial Reporting Standard Applicable in 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

NEW COLLEGE DURHAM ACADEMIES TRUST

Independent Auditor's Report on the Financial Statements to the Members of New College Durham Academies Trust

We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the academy and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Department for Education and Education & Skills Funding Agency,
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

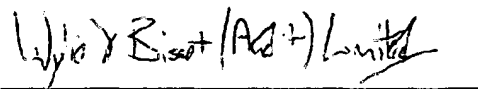
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education & Skills Funding Agency on terms that have been agreed.

Our audit work has been undertaken so that we might state to the academy trust'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 academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Scott Gillon BA (Hons) FCCA, CA (Senior Statutory Auditor)
Wylie & Bisset (Audit) Limited
Chartered Accountants
Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

9 December 2021

Date 9th December 2021

NEW COLLEGE DURHAM ACADEMIES TRUST

Independent Reporting Accountant's Assurance Report on Regularity to New College Durham Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 13 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by New College Durham Academies Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of New College Durham Academies Trust accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of New College Durham Academies Trust funding agreement with the Secretary of State for Education and the Academies Trust Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Direct consideration and corroboration of evidence used to inform the accounting officer's statements;
- Procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- Consideration of whether expenditure outside of the academies delegated authorities has received departmental approval;
- Evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- Assessment of adequacy of policies and procedures to ensure compliance with the framework of authorities;
- Testing transactions with connected parties to determine whether the Academy Trust has complied with the 'at cost' requirement of the Academies Accounts Direction 2020 to 2021;

NEW COLLEGE DURHAM ACADEMIES TRUST

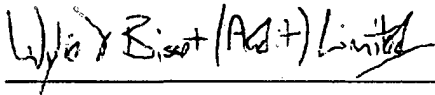
Independent Reporting Accountant's Assurance Report on Regularity to New College Durham Academies Trust and the Education Funding Agency

- Consideration of whether the absence of a control represents a breach of authorities;
- Review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts.

This list is not exhaustive and we performed additional procedures designed to provide us with additional appropriate evidence to express a conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2020 to 2021.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Scott Gillon BA (Hons) FCCA, CA
Reporting Accountant
Wylie & Bisset (Audit) Limited
Chartered Accountants
Statutory Auditor

9 December 2021

Date 9th December 2021

NEW COLLEGE DURHAM ACADEMIES TRUST

**Statement of Financial Activities
For the year ended 31st August 2021
(including Income and Expenditure Account)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2021 £000	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000
Income and endowments from:									
Donations and capital grants	3	-	93	673	766	-	4	683	687
Charitable activities	4	-	15,121	-	15,121	-	13,730	-	13,730
Other trading activities	5	228	-	29	257	150	-	-	150
Investments	6	4	-	-	4	23	-	-	23
Total Income		232	15,214	702	16,148	173	13,734	683	14,590
Expenditure on:									
Charitable activities:	7,8	123	15,831	1,249	17,203	149	14,072	1,520	15,741
Total Expenditure		123	15,831	1,249	17,203	149	14,072	1,520	15,741
Net income/(expenditure) before transfers		109	(617)	(547)	(1,055)	24	(338)	(837)	(1,151)
Transfers between funds	16	(63)	-	63	-	-	-	-	-
Net expenditure before other gains and losses		46	(617)	(484)	(1,055)	24	(338)	(837)	(1,151)
Other recognised gains / (losses):									
Actuarial (losses) on defined benefit pension schemes	20	-	364	-	364	-	(1,425)	-	(1,425)
Net movement in funds		46	(253)	(484)	(691)	24	(1,763)	(837)	(2,576)
Reconciliation of funds									
Total funds brought forward		1,155	(6,380)	43,325	38,100	1,131	(4,617)	44,162	40,676
Total funds carried forward		1,201	(6,633)	42,841	37,409	1,155	(6,380)	43,325	38,100


All of the trust's activities derive from continuing operations during the above two financial years.

NEW COLLEGE DURHAM ACADEMIES TRUST


Balance Sheet As at 31st August 2021

	Notes	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	12		41,235		42,094
Current assets					
Stock	13	3		2	
Debtors	14	708		491	
Cash at bank and in hand		<u>4,417</u>		<u>4,072</u>	
		5,128		4,565	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(1,456)</u>		<u>(1,352)</u>	
Net current assets			<u>3,672</u>		<u>3,213</u>
Total assets less current liabilities			<u>44,907</u>		<u>45,307</u>
Net assets excluding pension liability			<u>44,907</u>		<u>45,307</u>
Defined benefit pension scheme liability	20		<u>(7,498)</u>		<u>(7,207)</u>
Total net assets			<u>37,409</u>		<u>38,100</u>
Funds of the academy trust:					
Restricted funds:					
. Restricted funds	16	865		827	
. Restricted fixed asset funds	16	<u>42,841</u>		<u>43,325</u>	
. Restricted funds excluding pension liability	16	<u>43,706</u>		<u>44,152</u>	
. Pension Reserve		<u>(7,498)</u>		<u>(7,207)</u>	
Total restricted funds			<u>36,208</u>		<u>36,945</u>
Unrestricted funds	16		<u>1,201</u>		<u>1,155</u>
Total funds			<u>37,409</u>		<u>38,100</u>

The financial statements on pages 25 to 44 were approved by the Board of Trustees, and authorised for issue on 9 December 2021 and are signed on their behalf by:



L Rodham
Accounting Officer



KD Fairley, Chair
Trustee

Company Number: 07195175

NEW COLLEGE DURHAM ACADEMIES TRUST

**Cash Flow Statement
For the year ended 31st August 2021**

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>58</u>	<u>144</u>
Cash flows from investing activities:			
Dividends, interest and income from investments		4	23
Purchase of tangible fixed assets		(409)	(463)
Proceeds from sale of fixed assets		19	22
Capital grants/ Contributions		<u>673</u>	<u>683</u>
Net cash used in investing activities		<u>287</u>	<u>265</u>
Change in cash and cash equivalents in the year		345	409
Cash and cash equivalents at 1 September 2020		4,072	3,663
Cash and cash equivalents at 31 August 2021		<u>4,417</u>	<u>4,072</u>

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

1. Statement of Accounting Policies

1.1. Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard. Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

New College Durham Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2. Fund Accounting

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

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

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

1.3. Going Concern

The Directors 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 Academies Trust to continue as a going concern. The Directors 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 income is recognised once the Academies Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 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 in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

Statement of Accounting Policies (continued)

1.5. Expenditure

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

Charitable activities are costs incurred on the Academies Trust's educational operations. Including support costs and costs relating to the governance of the Academies Trust apportioned to the charitable activities.

All resources expended are stated inclusive of any irrecoverable VAT.

1.6. Tangible Fixed Assets

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or the private sector, they are included in the Balance Sheet at cost and are 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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	over 50 years
Long term leasehold land	-	over 125 years
Fixtures and fittings	-	over 2 to 5 years
Computer equipment	-	over 3 years

1.7. Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academies Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.8. Stock

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9. 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.

1.10. Cash at Bank and Hand

Cash at bank and in hand 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.

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

Statement of Accounting Policies (continued)

1.11. Liabilities

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

1.12. Provisions

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

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

1.13. Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

1.14. Leased Assets

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

1.15. 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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.16. Pension Benefits

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

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

Statement of Accounting Policies (continued)

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 prospective unit credit method. As stated in note 19, the TPS is a 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.

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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.17. Agency Arrangements

The Academy Trust acts as an agent distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received are paid and any balances held are disclosed in note 24.

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

3. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Capital Grants	-	673	673	683
Donations	-	93	93	4
	<u>-</u>	<u>766</u>	<u>766</u>	<u>687</u>

4. Funding for the Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
DfE / EFA grants				
. General Annual Grant (GAG)	-	13,295	13,295	12,519
. Start Up Grants	-	-	-	-
. Pupil Premium	-	916	916	898
. Other DfE/EFA grants	-	279	279	115
. Other Government Grants	-	460	460	128
. Other Grants	-	171	171	70
	<u>-</u>	<u>15,121</u>	<u>15,121</u>	<u>13,730</u>

5. Other Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Sundry Income	102	29	131	39
Catering Income	37	-	37	34
Lettings	41	-	41	45
Uniform	1	-	1	2
School Trips	47	-	47	30
	<u>228</u>	<u>29</u>	<u>257</u>	<u>150</u>

6. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2021 £000	Total 2020 £000
Investment Income	4	-	4	23
	<u>4</u>	<u>-</u>	<u>4</u>	<u>23</u>

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

7. Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2021 £000	Total 2020 £000
		Premises £000	Other £000		
Academy's educational operations:					
. Direct costs	10,818	-	1,340	12,158	10,707
. Allocated support costs	1,555	2,536	954	5,045	5,034
	<u>12,373</u>	<u>2,536</u>	<u>2,294</u>	<u>17,203</u>	<u>15,741</u>

Net Income/(expenditure) for the period includes:

	2021 £000	2020 £000
Operating lease rentals	33	33
Depreciation	1,249	1,520
Fees payable to auditor for:		-
- audit	15	13
- other services	-	6

8. Charitable Activities

	Total 2021 £000	Total 2020 £000
Direct costs – educational operations	12,158	10,707
Support costs – educational operations	5,045	5,034
	<u>17,203</u>	<u>15,741</u>

Analysis of direct costs

	Total 2021 £000	Total 2020 £000
Wages and salaries	7,960	7,181
National insurance	754	717
Pension cost	2,104	1,745
Educational supplies	849	615
Examination fees	199	175
Staff development	36	41
Technology costs	144	115
Educational consultancy	18	34
Travel and subsistence	1	3
Other direct costs	93	81
	<u>12,158</u>	<u>10,707</u>

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

8. Charitable activities (continued)

Analysis of support costs	Educational operations	Total 2021	Total 2020
	£000	£000	£000
Support staff costs	1,555	1,555	1,489
Depreciation	1,249	1,249	1,520
Net interest cost on pension scheme	119	119	98
Technology costs	46	46	35
Recruitment and support	80	80	37
Maintenance of premises and equipment	331	331	285
Cleaning	430	430	412
Rates	140	140	153
Energy	262	262	299
Insurance	66	66	58
Pupil Premium	36	36	31
LAC/SEND	23	23	57
Transport	97	97	90
Catering	344	344	218
Occupancy costs	64	64	70
Other support costs	168	168	144
Governance costs	35	35	38
Total support costs	5,045	5,045	5,034

9. Staff Costs

a. Staff costs during the period were:

	Total 2021	Total 2020
	£000	£000
Wages and salaries	8,615	7,969
Social security costs	868	828
Operating costs of defined benefit pension schemes	2,341	2,016
	11,824	10,813
Supply staff costs	549	318
Staff restructuring costs	23	23
	12,396	11,154

b. Staff restructuring costs

	2021	2020
	£000	£000
Severance payments	23	23
	23	23

c. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2021	2020
	No.	No.
Teachers	149	135
Teaching Support	59	48
Corporate Support	36	36
Management	7	7
	251	226

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

9. Staff Costs (continued)

d. Higher paid staff

The number of employees whose employee benefits exceeded £60,000 was:

	2021 No.	2020 No.
£60,001 - £70,000	5	4
£70,001 - £80,000	2	3
£80,001 - £90,000	3	-
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-

The key management personnel of the academy trust comprise the directors, principals and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer contributions) received by the key management personnel for their services to the academy trust was £1,395,842 (2020: £1,321,226).

10. Related Party Transactions - Trustees' and Directors' Remuneration and Expenses

During the year, no Directors received any remuneration as none of the Directors, including the Accounting Officer, are employees of the trust (2020 - £NIL).

During the year, one Directors had expenses paid worth £177 (2020 – £262 for one Director).

During the year, no Directors received any benefits in kind as none of the Directors, including the Accounting Officer, are employees of the trust (2020 - £NIL).

11. Trustees', Directors' and Officers' Insurance

In accordance with normal commercial practice the academy 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 2021 was included within the insurance premium and is not separately identified.

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

12. Tangible Fixed Assets

	Long-term Leasehold Land and Property £000	Fixtures and Fittings £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2020	47,158	4,748	5,272	-	57,178
Additions	40	35	312	22	409
Disposals	-	-	(290)	-	(290)
At 31 August 2021	47,198	4,783	5,294	22	57,297
Depreciation					
At 1 September 2020	5,720	4,540	4,824	-	15,084
Charged in year	939	60	247	3	1,249
Disposals	-	-	(271)	-	(271)
At 31 August 2021	6,659	4,600	4,800	3	16,062
Net book values					
At 31 August 2021	40,539	183	494	18	41,235
At 31 August 2020	41,438	208	448	-	42,094

13. Stock

	2021 £000	2020 £000
Finished goods and goods for resale	3	2
	<u>3</u>	<u>2</u>

14. Debtors

	2021 £000	2020 £000
Trade debtors	43	-
VAT recoverable	161	99
Other debtors	6	7
Prepayments and accrued income	498	385
	<u>708</u>	<u>491</u>

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

15 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	321	295
Other creditors	464	405
Accruals and deferred income	671	652
	1,456	1,352

	2021 £000	2020 £000
Deferred income		
Deferred income at 1 September 2020	300	373
Released from previous years	(300)	(373)
Resources deferred in the year	323	300
Deferred Income at 31 August 2021	323	300

At the balance sheet date the academy trust was holding funds received in advance for lettings booked for the autumn term 2021.

16 Statement of Funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2021 £000
Restricted general funds					
General Annual Grant (GAG)	827	13,295	(13,257)	-	865
Start Up Grant	-	-	-	-	-
Pupil Premium	-	916	(916)	-	-
Other DfE/EFA grants	-	279	(279)	-	-
Other Government grants	-	460	(460)	-	-
Other grants	-	171	(171)	-	-
Donations	-	93	(93)	-	-
Pension reserve	(7,207)	-	(655)	364	(7,498)
	(6,380)	15,214	(15,831)	364	(6,633)
Restricted fixed asset funds					
Legacy assets	41,381	-	(938)	-	40,443
Devolved Formula Capital	252	48	-	(78)	222
Capital expenditure from GAG	60	-	(51)	-	9
ICT Funding	819	129	-	(196)	752
Capital expenditure funded from ICT reserve	359	-	(231)	196	324
Other capital	112	-	(29)	157	240
Premises Funding	342	525	-	(16)	851
	43,325	702	(1,249)	63	42,841
Total restricted funds	36,945	15,916	(17,080)	427	36,208
Total unrestricted funds	1,155	232	(123)	(63)	1,201
Total funds	38,100	16,148	(17,203)	364	37,409

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

16. Statement of Funds (continued) – prior year

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	723	12,519	(12,415)	-	827
Start Up Grant	-	-	-	-	-
Pupil Premium	-	898	(898)	-	-
Other DfE/EFA grants	-	115	(115)	-	-
Other Government grants	-	128	(128)	-	-
Other grants	-	70	(70)	-	-
Donations	-	4	(4)	-	-
Pension reserve	(5,340)	-	(442)	(1,425)	(7,207)
	(4,617)	13,734	(14,072)	(1,425)	(6,380)
Restricted fixed asset funds					
Legacy assets	42,607	-	(1,265)	39	41,381
Devolved Formula Capital	132	187	(28)	(39)	252
Capital expenditure from GAG	87	-	(27)	-	60
ICT Funding	905	185	-	(271)	819
Capital expenditure funded from ICT reserve	270	-	(182)	271	359
Other capital	15	115	(18)	-	112
Premises Funding	146	196	-	-	342
	44,162	683	(1,520)	-	43,325
Total restricted funds	39,545	14,417	(15,592)	(1,425)	36,945
Total unrestricted funds	1,131	173	(149)	-	1,155
Total funds	40,676	14,590	(15,741)	(1,425)	38,100

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

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

Start-up grant is used to cover the set-up costs since conversion

Pupil Premium is to be used as the school sees fit to support disadvantaged children.

SEN is income received from Durham County Council to be used for special educational needs costs.

Other government grants relate to monies received from and due back to DCC due to pupil transfers, and other government grants.

Unrestricted funds are to be used as the trustees deem necessary.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2021.

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

16. Statement of Funds (continued)

Analysis of fund balance by Academies

Fund balances at 31 August 2021 were allocated as follows:

	2021 £000	2020 £000
North Durham Academy	874	874
Consett Academy	1,177	1,093
Trust	15	15
Total before fixed asset fund and pension reserve	2,066	1,982
Restricted fixed asset fund	42,841	43,325
Pension reserve	(7,498)	(7,207)
Total	37,409	38,100

Analysis of spend by Academies

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational Supplies £000	Other costs excluding depreciation £000	Total 2021 £000	Total 2020 £000
North Durham Academy	4,361	936	591	1,249	7,137	6,337
Consett	5,922	1,028	643	1,224	8,797	7,884
	10,283	1,964	1,234	2,473	15,954	14,221

17. Analysis of Net Assets between Funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2021 £000
Tangible fixed assets	-	-	41,235	41,235
Current assets	2,657	865	1,606	5,128
Current liabilities	(1,456)	-	-	(1,456)
Provisions for liabilities and charges	-	(7,498)	-	(7,498)
Total net assets	1,201	(6,633)	42,841	37,409

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

17. Analysis of Net Assets between Funds (continued) – prior year

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2020 £000
Tangible fixed assets	-	-	42,094	42,094
Current assets	2,507	827	1,231	4,565
Current liabilities	(1,352)	-	-	(1,352)
Provisions for liabilities and charges	-	(7,207)	-	(7,207)
Total net assets	1,155	(6,380)	43,325	38,100

18. Reconciliation of Net Income/(expenditure) to net cash flow from Operating Activities

	2021 £000	2020 £000
Net (expenditure) for the reporting period (as per the statement of financial activities)	(1,055)	(1,151)
Adjusted for:		
Depreciation	1,249	1,520
Dividends, interest and rents from investment	(4)	(23)
Decrease in stocks	(1)	1
(Increase) in debtors	(217)	(14)
Increase in creditors	104	52
Capital grants from DfE and other capital income	(673)	(683)
Pension adjustment	655	442
Net cash provided by operating activities	58	144

19. Analysis of cash and cash equivalents

	At 31 August 2021 £000	At 31 August 2020 £000
Cash in hand and at bank	4,417	4,072
Total cash and cash equivalents	4,417	4,072

20. Pension Commitments

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

The latest actuarial valuation of the TPS related to the year ended 31 March 2016 and of the LGPS 31 March 2020.

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

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

20. Pension Commitments (Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Government Actuary's Department (the Department) on 5 March 2020. The key results of the valuation are:

- New employer contribution rates were set at 23.68% of pensionable pay (including administration fees of 0.08%);
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion;
- an employer cost cap of 10.9% of pensionable pay.
- the assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The new employer contribution rate for the TPS was implemented in September 2020. DfE has agreed to pay a teacher pension employer grant to cover the additional costs during the 2020-21 academic year. The next valuation of the TPS is currently underway based on April 2020 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,461,730 (2020: £1,321,400).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

20. 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 2021 was £517,000 (2020: £488,000), of which employer's contributions totalled £387,000 (2020: £374,000) and employees' contributions totalled £130,000 (2020: £114,000). The agreed contribution rates for future years are 13.4 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions	At 31 August 2021	At 31 August 2020
Rate of increase in salaries	3.50%	3.30%
Rate of increase for pensions in payment/inflation	2.00%	2.30%
Discount rate for scheme liabilities	2.50%	1.70%
Inflation assumption (CPI)	2.00%	2.30%
Commutation of pensions to lump sums	80.00%	80.00%

	At 31 August 2021	At 31 August 2020
The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:		
<i>Retiring today</i>		
Males	23.2	22.2
Females	24.9	24.2
<i>Retiring in 20 years</i>		
Males	25.4	23.2
Females	27.2	25.7

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2021 £000	Fair value at 31 August 2020 £000
Equity instruments	2,561	3,946
Debt instruments	376	3,084
Property	2,055	567
Cash	224	391
Total market value of assets	5,216	7,988

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

20. Pension Commitments (Continued)

The actual return on scheme assets was £1,631,000 (2020: £869,000).

Amount recognised in the statement of financial activities

	2021 £000	2020 £000
Current service cost (net of employer contributions)	(529)	(337)
Net interest cost	(104)	(98)
Past service cost	-	(7)
Total operating charge	<u>(633)</u>	<u>(442)</u>

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

	2021 £000	2020 £000
At 1 September	15,194	11,995
Current service cost	923	711
Interest cost	259	229
Employee contributions	130	114
Actuarial (gain)/loss	1,127	2,163
Benefits paid	-	7
Net benefits paid	<u>(83)</u>	<u>(25)</u>
At 31 August	<u>17,550</u>	<u>15,194</u>

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

	2021 £000	2020 £000
At 1 September	7,987	6,655
Interest income	140	131
Actuarial gain/(loss)	1,491	738
Employer contributions	387	374
Employee contributions	130	114
Benefits paid	<u>(83)</u>	<u>(25)</u>
At 31 August	<u>10,052</u>	<u>7,987</u>

Net Pension Liability 7,498 7,207

21. Operating Lease Commitments

At 31 August 2021 the total of the Academy trust's minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts Payable:		
Within 1 year	21	23
Between 1 and 5 years	21	43
Total	<u>42</u>	<u>66</u>

NEW COLLEGE DURHAM ACADEMIES TRUST

Notes to the Financial Statements for the Year Ended 31st August 2021

22. 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.

23. Related Party Transactions

The lead sponsor of the Academies Trust is New College Durham. During the year the college provided education and training services for both academies. The total amount paid for these services in the year was £nil (2020: £23,986).

In entering into transactions, the trust has complied with the requirements of the ESFA's Academies Financial Handbook 2020.

24. Agency Arrangements

The Academies Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ending 31 August 2021 the trust had a balance brought forward of £14,884 received £8,933 and distributed £9,076. No income or expenditure is recognised in the financial statements. The £14,741 of undistributed funds is included in creditors at the year end.

25. Financial instruments

	2021 £'000	2020 £'000
Financial assets measured at amortised cost		
Current assets	43	-
Financial liabilities measured at amortised cost		
Current Liabilities	668	646