

Registered number: 07964133 (England & Wales)

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Annual report**

**Year ended 31 August 2023**



# **Northern Leaders Trust**

**(A company limited by guarantee)**

## **Contents**

---

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 20
Statement on regularity, propriety and compliance	21
Statement of Trustees' responsibilities	22
Independent auditor's report on the financial statements to the members of Northern Leaders Trust	23 - 26
Independent reporting accountant's report on regularity to Northern Leaders Trust and the Education and Skills Funding Agency	27 - 28
Statement of financial activities (incorporating income and expenditure account)	29
Balance sheet	30 - 31
Statement of cash flows	32
Notes to the financial statements	33 - 60

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Reference and administrative details**

---

### **Members**

J McHanwell (resigned 10 March 2023)  
D Pearmain  
T Quincey  
W Jordon (appointed 10 March 2023)

### **Trustees**

I Kershaw, CEO & Accounting Officer (resigned 31 December 2022)  
L Kirtley, CEO & Accounting Officer (appointed 1 January 2023)  
R Steele  
T Quincey, Chair of Board of Trustees and Chair of Standards Committee  
C Hart, Chair of Finance and General Purposes Committee  
A Kelly (resigned 31 August 2023)  
N Nichol  
L Ackland  
M Sorour (term of office expired 6 September 2023)  
D Smith, Chair of Studio West Governing Body (resigned 5 September 2023)

### **Company registered number**

07964133

### **Company name**

Northern Leaders Trust

### **Principal and registered office**

Drayton Road  
Newcastle upon Tyne  
Tyne and Wear  
NE3 3RU

### **Company secretary**

T Carson

### **Chief executive officer**

L Kirtley

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Reference and administrative details (continued)** **Year ended 31 August 2023**

---

### **Key management personnel**

I Kershaw, Chief Executive and Accounting Officer (until 31 December 2022)  
L Kirtley, Executive Principal (until 31 December 2022); Chief Executive and Accounting Officer (from 1 January 2023)  
V Robinson, Chief Operating Officer  
J Jackowiak, Director of Human Resources (resigned 3 September 2023)  
I Grayson, Trust Estates Manager (retired 31 August 2023)  
M Green, Interim Executive Principal  
T Carson, Director of Governance

### **Independent auditor**

UNW LLP  
Chartered Accountants  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

### **Bankers**

NatWest Bank plc  
16 Northumberland Street  
Newcastle upon Tyne  
NE1 7EL

### **Solicitors**

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne  
NE1 4BF

### **Internal auditor**

AZETS  
Bulman House  
Regent Centre  
Henry Street  
Newcastle upon Tyne  
NE3 3LS

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Trustees' report Year ended 31 August 2023**

---

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

The Northern Leaders Trust operates two academies in Newcastle upon Tyne. Kenton School is an academy with a pupil capacity of 2,000 and had a roll of 1,830 in the school census of October 2023. Studio West is a studio school with a pupil capacity of 640 and had a roll of 565 in the school census of October 2023.

### **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. Trustees are the directors of the charitable company for the purposes of company law. The charitable company operates as Northern Leaders Trust.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the 'Reference and administrative details' on page 1.

#### **Members' liability**

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

#### **Trustees' indemnities**

The Trust has purchased third party indemnity insurance to protect Trustees from claims arising against negligent acts, errors, or omissions occurring while on academy business. The insurance was in force during the year and at the date of approval of the report.

#### **Method of recruitment and appointment or election of Trustees**

Trustees are recruited according to an identified need within the trust body. Appointment is by vote of the existing Trustees. The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Chief Executive or any post held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

The Trustees or members appoint co-opted Trustees. Associate committee members may be appointed by the Trustees to bring additional expertise and experience to the Trust. The Chief Executive Officer (CEO) is an ex officio Trustee.

Each Academy has a Local Governing Body, which reports to the Board of Trustees. The arrangements for the election of parent and staff Local Board Governors are delegated to the Principals.

#### **Policies and procedures adopted for the induction and training of Trustees**

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

# Northern Leaders Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 August 2023

---

### Organisational structure

During the 2022/23 year the Multi-Academy Trust operated a unified governance structure. The structure consists of three levels: the Members, the Board of Trustees, including the Chief Executive, and four sub-committees of the Board of Trustees, namely the Finance and General Purposes Committee, the Standards Committee and two Local Governing Bodies, which include the Principals.

The Trustees are responsible for setting general policy, including financial and human resources policy, as well as analysing and mitigating risk. Trustees have delegated some responsibilities to the Local Governing Bodies. In particular the Local Governing Bodies through the scheme of delegation and monitor and challenge the academies' performance in line with milestones set out in the Academy Development Plan.

The Chief Executive is the Chief Accounting Officer and is accountable for finance and human resources; he reports to the Trust, via the Standards Committee, on the performance of both academies, including the performance of the Principals, and through a range of processes supports and holds them to account for their work.

The Chief Executive has established an Executive Team which comprises:

- Chief Executive and Accounting Officer
- Chief Operating Officer
- Director of Human Resources
- Trust Estate Manager
- Executive Principal
- Director of Governance

The Executive Team meets on a weekly basis.

### The role of the Executive Team

Members of the Executive Team are accountable to the Chief Executive and are expected to manage their responsibilities in collaboration with each other and with a minimum of supervision. Executive decision making by individual members of the team is encouraged within the parameters of the Trust's mission, principles and aims.

The role of the Executive Team is:

1. To advise the Chief Executive on matters concerned with:
  - the delivery and development of high quality curriculum and teaching policies to the communities the schools serve
  - oversight of financial resource management and the audit public monies
  - oversight and development of site and building assets in the interests of delivering high quality provision for students
  - staff recruitment, deployment, development and management
  - The management and administration of the trust and its assets
2. To establish, clarify and evaluate policy, its management and implementation against the changing needs of the communities we serve and to facilitate policy development.
3. To prioritise and co-ordinate the implementation of academic, pastoral, community and support service policies.
4. To represent the institution and its policies in the context of consultations and negotiations with outside bodies including the DfE, Education Skills Funding Agency, LA, local schools, and local FE colleges and Universities.
5. To provide personal support for members of the team.
6. To provide opportunities for the personal and professional development of members of the team.
7. To evaluate and review the effectiveness of the team in its corporate and individual responsibilities.

## **Northern Leaders Trust**

(A company limited by guarantee)

### **Trustees' report (continued)** **Year ended 31 August 2023**

---

A School Management Group has been established, to oversee and co-ordinate the delivery of all teaching and learning programmes in the schools. Principals of the schools are members and report to this group.

It is comprised of:

- Chief Executive and Accounting Officer
- Chief Operating Officer
- Executive Principal
- Principal Studio West
- Principal Kenton School

The Director of Governance is Secretary to the Board of Trustees, and all sub-committees.

Trust Leads have been established across key areas and are accountable to the CEO in a weekly meeting.

It is comprised of:

- Chief Executive and Accounting Officer
- Executive Principal / Associate Executive Principal
- Director of Curriculum and Data
- Trust Attendance Lead
- Trust SEND Lead
- Trust Safeguarding Lead
- Trust Teaching and Learning Lead

Trust Directors of Subject work across both schools and report to the Trust Lead for Teaching and Learning in a weekly Directors Meeting.

The Senior Leadership Teams consist of the Principals, Vice Principals and Assistant Principals. The Principal, with their Headship Teams are responsible for leading and managing their academies, implementing the policies laid down by the Trust in accordance with the Scheme of Delegation.

#### **Arrangements for setting pay and remuneration of key management personnel**

The key management personnel of the academy trust comprise the Trustees, the Chief Executive Officer, the Principals and the Executive Team, as listed on pages 1 and 2.

The remuneration of the CEO in 2022/23 was set at a fixed cost, following analysis of salary arrangements in other Multi-Academy Trusts (MATs). The pay ranges for school leaders are set in accordance with the School Teachers' Pay and Conditions Document, with Principals paid within a 7-point range, and Vice and Assistant Principals paid within a 5-point range.

The Trust reviews pay annually and progression through the pay range is based on performance assessed through the annual appraisal process; it takes account of the recommendation on pay contained within the appraisal report and awards progression, where there is evidence that the individual:

- contributes effectively to whole school leadership;
- leads their own specific areas of leadership responsibility, taking into account performance management objectives; and
- effectively leads all line managed areas.

Northern Leaders Trustees, with the exception of the CEO, do not receive any remuneration.

# Northern Leaders Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 August 2023

---

### Trade union facility time

#### Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

#### Percentage of time spent on facility time

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

#### Total pay bill and facility time costs

Total pay bill	£11,565,080
Total cost of facility time	£0
Percentage of pay spent on facility time	0%

#### Paid trade union activities

Hours spent on paid facility time	-
Hours spent on paid trade union activities	-
Percentage of total paid facility time hours spent on trade union activities	0%

#### Engagement with employees (including disabled persons)

The Trust has and will continue to ensure that employees and their recognised trade unions are consulted on any decisions that are likely to impact on the interests of our staff. This includes engaging in consultation on changes to policy as a result of legislative change or operational requirements, pay, grading and staffing structure issues, and policy and practice affecting wellbeing including health and safety and risk assessments. A formal Joint Consultative Committee with trade unions is scheduled each term however informal dialogue is undertaken on a more frequent basis.

In addition to formal consultation, the trust has a number of informal communication and engagement mechanisms in place such as staff briefings and regular email updates on key issues. Staff feedback is obtained regularly through staff surveys focusing on general or specific issues and informal feedback through staff briefings and line management arrangements.

Trustees regularly communicate with all staff to ensure they are appraised of current developments within the Trust, sharing and celebrating successes. Trustees engage with staff and students on a regular basis, to ensure that they are aware of all the issues that are important to staff and students and look to see how the Trust can respond to these. Trustees are currently engaged in longitudinal study in both schools to measure the impact of COVID-19.

Trust employees are subject to a rigorous appraisal system where clearly defined objectives are set aligned to the Trust, Academy and Departmental Improvement Plans. Performance is reviewed against these objectives both formally through this annual process, and informally through mid cycle reviews and line management meetings.

The Trust is committed to ensuring equality of opportunity for all and offer guaranteed interviews for candidates for job roles who have identified as having a disability where the essential criteria for the post is met. We offer various adjustments to support both entry into the Trust for disabled workers and to support them throughout the course of their employment. The Trust will seek to remove barriers preventing employees fulfilling their role.



# **Northern Leaders Trust**

(A company limited by guarantee)

## **Trustees' report (continued)** **Year ended 31 August 2023**

---

Other barriers are addressed via policies such as the Dignity at Work and Grievance Policies. Removing barriers ensures that we create an inclusive workplace for all.

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

We are committed to working with a range of suppliers, and encourage smaller, charitable and locally based suppliers as well as social enterprises to compete for business and to support them in improving their ability to meet the Trust's requirements whilst complying with the Academies Trust Handbook.

The Trust aims to conduct all its relationships with integrity and courtesy, and scrupulously to honour every business agreement. The Trustees have approved a number of policies that help to ensure the charity maintains high standards of business conduct; these include the Investment Policy, Anti Fraud and Whistleblowing Policy, and Gifts and Hospitality Policy.

### **The need to act fairly as between members of the company**

All members of the Trust are treated fairly and equally, with the same access to information, the ability to directly contact Trustees or the Executive, and being invited to participate in training or strategic development events.

All matters reserved for decision by the Trustees are presented at Board or Committee meetings as appropriate. Trustees are briefed on any identified potential impacts and risks for our stakeholders and how they are to be managed. The Trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its stakeholders.

### **Promoting the success of the company**

The Trustees have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, stakeholders and the matters set out in section 172(1) of the Companies Act 2006. The Charities Commission has issued guidance which explains that charitable companies should take "promoting the success of the company" to mean "promoting the success of the charity to achieve its charitable purposes."

Northern Leaders Trust is governed by its charitable objects. These charitable objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they drive us towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values.

As an educational charity, we are accountable not only to our funders and direct beneficiaries (our pupils) but also our parents and wider community. These stakeholders support us, engage with us, and challenge us. They ensure that the decisions we make as a charity, from the ground level through to the Board, are for their benefit. We are a values driven organisation and our values mean that we are informed, shaped and powered by our determination to uphold our vision and values.

Well-established involvement and consultation mechanisms, both direct (through parent and staff surveys) and indirect (through the involvement of parents and local people on our Local Governing Body's and Trust Board) ensure that decisions made by the Trustees are informed by the needs of the organisation's stakeholders.

Trustees consider the consequences of any strategic decision in the long-term as part of their assessment. We aim to ensure that as an organisation we balance our income and expenditure to ensure that our organisation remains sustainable in the long term. This is balanced against the needs of our pupils, staff and other stakeholders, and the community, to ensure we are spending the funding we receive from the government in the most effective way to support our aims, and with integrity.

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Trustees' report (continued)** **Year ended 31 August 2023**

---

### **Objectives and activities**

#### **Objects and aims**

The principal object and activity of the charitable company is the operation of Northern Leaders Trust to provide education for students of different abilities between the ages of 11 and 19 at Kenton School and at Studio West, with an emphasis on an inclusive and supportive environment for all students, regardless of their background. The aim of Kenton School is summed up in the school motto "All Different All Equal". This aim also applies to Studio West, but, in addition, Studio West has the specific aim of connecting students' learning to the world of work. This aim is summed up in the school motto "Learning that Connects".

In accordance with the articles of association, the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum, with emphasis on an inclusive and supportive environment for all students, regardless of their background.

The main objectives of the Academies during the year ended 31 August 2023 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all students;
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with business, especially at Studio West;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness; and
- To ensure strong progression for all school leavers into education, employment and/or training.

#### **Objectives, strategies and activities**

The Trust's main objectives are encompassed in its vision statement, included within the Trust's Strategic Plan:

- Governance, Leadership and Sustainability of the Trust
- The Financial Health of the Trust
- The Quality of Education in our Schools
- The Safety and Well-being of our Students
- The Quality of the Learning Environment and Infrastructure
- The People Strategy

#### **THE MISSION, VISION AND VALUES OF THE TRUST**

Students are at the centre of everything we do. Through collaboration, every aspect of our work is of high quality. Our academies deliver an ambitious and inclusive curriculum. This enables all students to have high aspirations and to excel academically and socially.

# Northern Leaders Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 August 2023

---

### OUR ACADEMIES

Each Academy is unique and retains its own identity whilst aligning with our trust vision and values. Each Academy's motto summarises this:

Kenton School: "All Different, All Equal"

Studio West: "Learning that connects"

### TRUST SHARED VALUES

Every student and adult is expected to behave in a responsible manner both to themselves and others, showing consideration, courtesy and respect for other people and their wellbeing at all times.

**Leadership** – Leaders help themselves and others to do the right thing. We firmly believe that all students and staff within our Trust are leaders.

**Excellence** – We are a Trust that strives to achieve excellence in academic, sporting and artistic pursuits.

**Integrity** – We are honest and driven by a clear moral purpose. Acting with integrity means we strive to do the right thing at all times.

**Kindness** – We value being kind to one another, using our manners and being considerate of each other's feelings.

**Inclusivity** – All students are welcomed into our classrooms and their uniqueness is celebrated. We have high aspirations for all students: no groups or individuals will be left behind.

**Humility** – We are humble in both success and failure. We acknowledge that our successes are achieved through the hard work of our students, parents, teachers and community.

**Together** – We believe that the Trust is stronger together and that collaboration is always more effective than competition.

**Reflectiveness** – We value reflection as a way to achieve improvement. We believe in inspiring all our learners to question, research, engage and therefore thrive.

To this end the objectives and the strategies used to achieve them include:

- Detailed planning to raise the achievement of students through a comprehensive school improvement strategy
- Carrying out comprehensive curriculum-led cost analysis to inform future planning
- Responding to Ofsted inspection reports and identified key issues for action with the LA, other local trusts and relevant providers/agencies

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students in both Kenton School and Studio West.

### Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the Trustees have considered this guidance in deciding what activities the Trust should undertake.

# Northern Leaders Trust

(A company limited by guarantee)

## Trustees' report (continued)

### Year ended 31 August 2023

#### Strategic report

#### Achievements and performance

#### Key performance indicators

The inspection of Studio West in June 2019 judged the school to be good against all measures. It reported that "governing body meetings evidence a high level of understanding of the school. Clear challenges to the principal can be seen in order to further improve the quality of education on offer".

A graded inspection of Kenton School took place in September 2022. This reported that the leadership and management of the school was good as was personal development and the provision for the 6th form. It judged the quality of education and behaviour and attitudes as requiring improvement and the overall judgment was that the school requires improvement. The inspection report noted that 'the arrival of new trust leadership has seen the improvement gather pace.'

The 2023 headlines, against four previous years for Kenton School are as follows:

Measure	2019	2020 (CAG year)	2021 (TAG year)	2022	2023
<b>GCSE</b>					
Progress 8	-0.62	N/A	N/A	-0.96*	-0.71
Attainment 8	40.5	41.2	40.2	38.4	44.73
5+ English/Maths	31%	37%	36%	32%	34%
4+ English/Maths	53%	57%	54%	48%	52%
EBacc Ave. Pt. Score	3.3	3.4	3.2	3.09	3.10
<b>Post-16</b>					
Academy average grade per entry	C-	C	C+	C=	C-
Applied General average grade	M	M+	M	M+	M=
Technical	Dis-	M+	M-	M+	M-

The 2023 headlines, against the previous year for Studio West are as follows:

Measure	2022	2023
<b>GCSE</b>		
Attainment 8	39.6	42.60
5+ English/Maths	14.9%	6%
4+ English/Maths	34%	19%

\*The DfE have made the following statement regarding progress 8 for 2022:

Uneven impact of the pandemic on 2021/22 school and college performance data

We recommend:

Not making direct comparisons with data from previous years or between schools or colleges.

The priority for both schools post-lockdown was ensuring that all students are supported in the re-engagement with on-site learning and that high-quality provision was in place for remote access to learning in the event of local lockdown. The closing of all performance gaps for "vulnerable groups", including for the "Disadvantaged" remains a priority for both schools, which has been exacerbated because of Covid-19.

# Northern Leaders Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 August 2023

Improving attendance and reducing levels of persistent absence are key priorities for both schools, albeit within very different circumstances because of the pandemic. Significant efforts were made during both lockdowns to re-engage some of the schools' most hard to reach young people. As is the case for all schools nationally, the situation is still potentially volatile. Rates of attendance for 2022-23, against the previous four years is as follows.

	2019	2020	2021	2022	2023
Kenton School	89.9%	89.2%	87.0%	85.2%	85.7%
Studio West	94.9%	93.9%	88.5%	86.2%	84.7%

Financial key performance indicators relevant to the Academy Trust were as follows:

	2022	2023
Total staff costs as a % of income*	68.8%	64.4%
Teaching and educational staff costs as a % of income*	58.4%	54.4%
Other support staff costs as a % of income*	10.4%	10.0%

\*Total income excluding donations and capital grants.

The Academy Trust has a set budget planning principal of a maximum of 75% for total staff costs.

### Financial review

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

The Trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS 102), 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.

In addition, the Trust derives smaller amounts of income from lettings, sports hall hire and catering.

During the year ended 31 August 2023, total expenditure of £22,411k was met by recurrent grant funding from the DfE/ESFA, together with other incoming resources. The excess of income over revenue expenditure for the year (before transfers and actuarial losses and excluding restricted fixed asset funds and the LGPS pension cost) was £608k, of which £477k has been invested in fixed assets.

All the expenditure shown in the statement of financial activities is in furtherance of the academies' objectives.

At 31 August 2023, the net book value of fixed assets was £26,850k and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pension scheme, resulting in a liability of £nil being recognised on the balance sheet. Further detail is given in note 25.

The Academy held fund balances at 31 August 2023 of £30,466k comprising £28,875k of restricted funds and £1,591k of unrestricted funds.

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Trustees' report (continued)**

### **Year ended 31 August 2023**

---

#### **Going concern**

As at 31 August 2023 the Academy had cash reserves of £5,331k.

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy 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 detail regarding the adoption of the going concern basis of preparation is given in the accounting policies.

#### **Reserves policy**

The Academy seeks to hold restricted and unrestricted funds. Unrestricted funds are held:

- To provide funds which can be designated to specific areas to improve the quality of education; and
- To cover ongoing costs in relation to the running of the academy including catering provision, school trips and uniform costs.

The Academy held fund balances at 31 August 2023 of £30,466k comprising £28,875k of restricted funds and £1,591k of unrestricted funds.

The Academy's level of free reserves (total funds less the amount held in restricted fixed asset funds and restricted pension funds) are in surplus by £3,526k at the end of the financial year.

The Trust has adopted the ESFA recommended reserves policy of 1/12th of annual income, which is £1,464k based on current projections. The Trustees consider that to hold reserves in excess of the minimum levels at the present time is desirable to allow the Trust to deal with any future uncertainties and costs resulting from the ongoing pandemic or any loss of future funding.

#### **Investment policy**

The Trust Finance & General Purposes Committee is responsible for approving the investment policy and has an on-going responsibility to ensure monitoring and review of any investment. All borrowing shall be authorised by the Committee, undertaken in the name of Northern Leaders Trust, and conform to the relevant funding body requirements. Investments should be made to further the Trust's charitable aims, but must ensure that investment risk is properly managed. The investment objectives based on prudence are:

- To achieve best financial return available whilst ensuring the security of deposits takes precedence over revenue maximisation;
- Only to invest funds surplus to operational need based on all financial commitments being met without the trust bank account becoming overdrawn; and
- By complying with this policy, all investment decision should be exercised with care and skill and consequently be in the best interests of the trust, commanding public support.

#### **Principal risks and uncertainties**

The Trustees have implemented a comprehensive risk management process and have assessed the major risks to which the Academy is exposed, especially those relating specifically to its finances and teaching provision and other operational areas in its academies.

# Northern Leaders Trust

(A company limited by guarantee)

## Trustees' report (continued)

### Year ended 31 August 2023

---

The principal risks and uncertainties are detailed as follows:

<u>Strategic risk</u>	<u>Planned mitigations</u>
<b>People:</b> <ul style="list-style-type: none"><li>• Retention</li><li>• Wellbeing</li></ul>	<ul style="list-style-type: none"><li>• Quality people offer and workforce strategy to attract, retain and nurture the best talent and ensure wellbeing</li><li>• Introduction of new people management systems</li><li>• Introduction of a Wellbeing Charter</li></ul>
<b>Financial capacity:</b> <ul style="list-style-type: none"><li>• Rising costs</li><li>• Inefficiency</li></ul>	<ul style="list-style-type: none"><li>• Proactive financial management through real-time systems and business partnering model</li><li>• New technology to reduce duplication in systems</li><li>• High level strategic priorities</li></ul>
<b>Estate management:</b> <ul style="list-style-type: none"><li>• PFI restrictions</li><li>• Increased responsibilities/ focus from DfE</li></ul>	<ul style="list-style-type: none"><li>• Effective Trust wide health and safety management</li><li>• Asset management plans</li><li>• Estate strategy and investment plans</li><li>• Funding for estate development and sustainability</li></ul>
<b>Government policy:</b> <ul style="list-style-type: none"><li>• Termination warning notice</li><li>• Change in government</li></ul>	<ul style="list-style-type: none"><li>• School Improvement Partner arrangements in place, effective plan in place and support identified. Monitoring and evaluation systems in place</li><li>• Relationship management with Regional Directors</li></ul>

In addition, the Trust is a Member of the LGPS, which results in significant fluctuations in the balance sheet position year on year.

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

- Liquidity risk: the Trust manages its resources, so all its operating needs are met without the need for any external borrowing.
- Interest rate risk: in the absence of borrowing and with low levels of current and expected interest rates, the Trust is not exposed to significant interest rate risk.
- Credit risk: the Trust is subject to price inflation, but is funded by government alongside all other academies and schools, higher price inflation is currently impacting all academies and schools and spend is being prioritised to minimise the impact.

The academies have an effective system of internal financial controls, which is explained in more detail in the governance statement.

The academies have fully implemented the requirements of the Safer Recruitment procedures and all staff have received training in this area.

Ofsted carried out a Section 5 inspection of Kenton School on 13 and 14 September 2022. Despite the overall judgment being Requires Improvement, the inspection team said:

*"Much has improved in Kenton School. Shrewd investment by the trust has increased leadership capacity. The arrival of new trust leadership has seen the rate of improvement gather pace. Leadership throughout the school has strengthened. Leaders are taking staff with them on the school's improvement journey. Staff are proud to work at the school".*

It was recognised by inspectors in the feedback they provided that "leaders in the trust have been making all the right decisions in the right order to improve". We fully expect that the small number of areas for improvement will have been achieved by April 2023 so that Ofsted is able to assure the school as "a good school".

Ofsted carried out a Monitoring Visit of Kenton School on 16 November 2023 and confirmed that 'leaders are taking effective action'.

# Northern Leaders Trust

(A company limited by guarantee)

## Trustees' report (continued) Year ended 31 August 2023

---

The school is judged good for the following:

- Leadership
- 6th Form
- Personal development

Improvement in teaching and learning is required to reduce variability in one subject area – technology – in order for the quality of education to be judged good.

Improvements are needed to continue on their trajectory for attendance and a reduction in temporary suspensions for behaviour to be judged good.

Continuity of leadership has been addressed through the year. The CEO retired on 31 December 2022. A temporary appointment of an experienced CEO was made from 1 January 2022. An Executive Principal was appointed in March 2022 and Trustees confirmed his appointment to the permanent position of CEO from 1 January 2023. This has meant that the Executive Principal was able to work closely with an experienced CEO for several months prior to taking up the appointment.

### Streamlined energy and carbon reporting

#### *UK Greenhouse gas emissions and energy use data*

	2023	2022
Energy consumption used to calculate emissions (kWh)	3,655,742	3,939,436
Energy consumption breakdown (kWh)		
Gas	2,223,178	2,510,499
Electricity	1,375,034	1,386,787
Biomass	57,530	33,620
Transport fuel	-	8,530
<b>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</b>		
Gas consumption	409	462
Biomass	1	1
Transport fuel	2	2
Total Scope 1	412	464
<b>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</b>		
Purchased electricity	320	323
<b>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</b>		
Business travel in employee owned vehicles	1	1
<b>Total gross emissions in metric tonnes CO<sub>2</sub>e</b>	733	789
<b>Intensity ratio tonnes CO<sub>2</sub>e per pupil</b>	0.3	0.3

Previously published data for 2022 contained errors and has now been corrected above.



# **Northern Leaders Trust**

(A company limited by guarantee)

## **Trustees' report (continued)**

### **Year ended 31 August 2023**

---

#### **Quantification and reporting methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government Conversion Factors for Company Reporting.

#### **Intensity measurement**

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

#### **Measures taken to improve energy efficiency**

The Trust is working with the Local Authority to submit a bid for the Public Sector Decarbonisation Scheme which aims to reduce operational energy costs, reduce energy consumption and emissions. Solar panels were installed at Kenton School in the 2021-22 financial year as part of the Public Sector Decarbonisation Scheme, and will become operational at the end of the 2022-23 financial year. A bid is being prepared for an air source heat pump system for Kenton School, and options for Studio West are also being considered with the Local Authority.

#### **Fundraising**

The Trust does not use external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

#### **Disabled persons**

Lifts, ramps and disabled toilets are installed, and door widths are adequate to enable wheelchair access to all main areas of the academies. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. Also should a persons circumstances change whilst employed all reasonable adjustments will be implemented. The Trust does this by adapting the physical environment, by making support resources available and through training, career development, redeployment and promotion available where possible.

#### **Plans for future periods**

The Trustees of Northern Leaders Trust have continued to keep under review the potential for growing the number of schools in the Trust. The Board is conscious that it is essential, first, to ensure that Kenton School is rated as 'GOOD' by Ofsted, and to successfully address all areas identified within the Termination Warning Notice for Kenton School issued in March 2023.

The last graded inspection in September 2022 designated the school as continuing to 'requires improvement' but acknowledged the strength of leadership which was graded as 'good'.

The narrative of the Ofsted report stated 'Shrewd investment by the trust has increased leadership capacity. The arrival of new trust leadership has seen the rate of improvement gather pace. Leadership throughout the school has strengthened. Leaders are taking staff with them on the school's improvement journey. Staff are proud to work at the school. Trustees expect the school to be rated as 'GOOD' in the next graded inspection.

The November 2023 Ofsted Monitoring Visit was very positive and confirmed that 'leaders are taking effective action'.

The Trust will continue to work with the nominated School Improvement Partner for Kenton School during the forthcoming school year and report to the Regional Director against the action plan in place in response to the Termination Warning Notice.

The creation of the Trust Education Improvement Group over the last year (including Associate Principals to lead improvement projects in schools and to develop leadership along with Directors of English, Mathematics and Science, Art / Technology, Humanities, Modern foreign languages, and Music / Performing arts; Special

## Northern Leaders Trust

(A company limited by guarantee)

### Trustees' report (continued)

Year ended 31 August 2023

---

Educational Needs and Disability, Safeguarding, Attendance, and Curriculum Planning and Student Progress) has significantly strengthened the capacity of the Trust to support both schools and will increase the pace of improvement across the school resulting in improved outcomes for students in the summer of 2024.

Trustees will continue to resource programmes to support students' to catch up on lost learning through COVID restrictions. They will also continue to enhance the investment in students' opportunities to develop their character and resilience through an increased range of activity including sports, the Combined Cadet Force, the Duke of Edinburgh's Award, creative arts of music, drama and dance as well as increasing the range of clubs and curriculum experience days. In the 6th Form, which was again rated 'Good' by Ofsted, a wide range of cultural and challenge opportunities are available to students. Kenton School is continuing with its mission to ensure that every student is able to swim so all individuals can access a water sport if they wish. Trustees will continue to invest in the estate.

The Trustees want the Trust to be a 'Strong Trust', the additional capacity, collaborative working with partners and the strengthening of systems and processes are ensuring that the Trust is on that upward trajectory, and there will be continued work over the next year to develop and consolidate this.


The Trust is working with and will continue to work with a number of partners, such as local Multi Academy Trusts, sharing best practices and working towards ensuring that there is a seamless transition between the education phases.

#### Disclosure of information to auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- That Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2023 and signed on its behalf by:



**T Quincey**  
Chair of Trustees

# Northern Leaders Trust

(A company limited by guarantee)

## Governance statement

---

### Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Northern Leaders Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
I Kershaw	4	5
T Quincey	5	5
R Steele	3	5
C Hart	4	5
M Sorour	5	5
N Nichol	5	5
D Smith	5	5
A Kelly	1	5
L Ackland	5	5
L Kirtley	4	5

During the year the management accounts were issued to the Chair of Trustees, Chair of the Finance and General Purposes Committee and the CEO on a monthly basis. The Finance and General Purposes Committee met 6 times throughout the year, and it was able to ensure that there was effective oversight of the funds in the Trust.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Its purpose is to advise the Board, subject to the detailed requirements of the Academy Trust Handbook, Funding Agreement and the Financial Regulations of the Trust, on the following matters:

- The annual estimates of income and expenditure and financial forecast for the Trust and its Academies;
- Monitoring of revenue finances of the Trust and its Academies and advising the Board on progress towards achieving its financial objectives;
- Monitoring of policies relating to finance, staffing and buildings, including health and safety, capitalisation, depreciation, treasury management, investment and borrowing;
- The financial elements of the risk management policy including health and safety, buildings and insurance;
- The management accounts of the Trust, advising the Board on the year-end accounts;
- To consider any relevant legal and contractual documentation, operating within the Articles of Association, Schemes of Delegation, Funding Agreement and Financial Regulations;

# Northern Leaders Trust

(A company limited by guarantee)

## Governance Statement (continued)

### Governance (continued)

- To monitor policies in relation to non-educational services such as human resources, publicity and marketing, and to agree changes as necessary;
- To monitor the deployment of non-financial resources, including personnel and property, with a view to advising the Board on the effectiveness of such resources;
- The oversight of the pay and conditions of service of all employees of the Trust; and
- The internal scrutiny programme for the Trust.

Attendance at meetings of the Finance and General Purposes Committee in the year was as follows:

Trustee	Meetings attended	Out of a possible
I Kershaw	3	3
L Kirtley	6	6
T Quincey	5	6
R Steele	4	6
C Hart	6	6
D Smith	4	6

Governance reviews are being undertaken with both Local Governing Bodies and the Trust Board, to ensure that governance is effective, good practices are shared and that any training needs can be identified. In order to ensure local governors are effective in their support for the school, are able to triangulate information from a variety of sources and to provide professional challenge to school leaders on behalf of the Board, the link governor process is being introduced to share monitoring work across all members of the local governing body. This will enable them to work effectively as a team covering more areas of life of the school and thus having a greater impact on the quality of the learning experience for each student.

### Review of value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year as follows:

- The schools have maintained a staffing structure that is focused on the provision of excellent pastoral and academic support for learning;
- Integrated Curriculum Led Financial Planning has been fully embedded within both schools and has driven the budget setting and medium term financial planning of the Trust. Contact ratios and key financial indicators were ratified by Trustees are used as the principles to ensure the financial viability and sustainability with curriculum breadth and student pathways across subjects.
- Utilising government frameworks for the provision of supply staff, which will lead to reduced daily rates.

The Accounting Officer has ensured that sufficient funds have been made available within the schools budgets to fund proactive and reactive maintenance across the Trust estate to ensure that the buildings are well maintained, and are compliant with regulations. A compliance system was introduced during the year to ensure that all required checks and regular maintenance are recorded and reported, and to aid future planning. During the year there has also been substantial capital investment (via the CIF programme) to upgrade heating systems, and update fire safety equipment within the Kenton School site.

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Governance Statement (continued)**

---

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

The financial governance and oversight by the Trustees and Accounting Officer have ensured that cost and effectiveness of spending proposals have been challenged in order to achieve value for money for the Trust, for example, in the tendering of insurance services for Kenton School, and engaging with DfE buying frameworks wherever possible.

The Trust regularly reviews and assesses budget against actual expenditure and investigate variances when they occur.

### **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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northern Leaders Trust for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

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

### **The risk and control framework**

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

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

The Board of Trustees has decided to employ AZETS as internal auditor.

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

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account/bank reconciliations.

# Northern Leaders Trust

(A company limited by guarantee)

## Governance Statement (continued)

---

### The risk and control framework (continued)

On a termly basis, the internal auditor reports to the Board of Trustees through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

There were no significant matters arising from the work of the internal auditor in the 2022/23 financial year.


### Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the internal and external auditors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2023 and signed on their behalf by:



**T Quincey**  
Chair of Trustees



**L Kirtley**  
Accounting Officer

**Northern Leaders Trust**  
(A company limited by guarantee)

**Statement on regularity, propriety and compliance**

---

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

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

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



**L Kirtley**  
Accounting Officer

Date: 14 December 2023

# Northern Leaders Trust

(A company limited by guarantee)

## Statement of Trustees' responsibilities Year ended 31 August 2023

---

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

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

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

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

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

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

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



**T Quincey**  
Chair of Trustees  
Date: 14 December 2023





## **Independent auditor's report on the financial statements to the members of Northern Leaders Trust**

---

### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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



## **Independent auditor's report on the financial statements to the members of Northern Leaders Trust (formerly Kenton Schools Academy Trust) (continued)**

---

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## **Independent auditor's report on the financial statements to the members of Northern Leaders Trust (formerly Kenton Schools Academy Trust) (continued)**

---

### **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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the Trustees and other management (as required by Auditing Standards) and from inspection of the Academy Trust's legal correspondence and we discussed with the Trustees and other management the policies and procedures in place regarding compliance with the laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the Academy Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Academy Trust is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law, safeguarding and child protection and certain aspects of company legislation, recognising the nature of the Academy Trust's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## **Independent auditor's report on the financial statements to the members of Northern Leaders Trust (formerly Kenton Schools Academy Trust) (continued)**

---

### **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. 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.

*Anne Hallowell*

**Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)  
for and on behalf of UNW LLP, Statutory Auditor**

Chartered Accountants  
Newcastle upon Tyne

14 December 2023

## **Northern Leaders Trust**

(A company limited by guarantee)

### **Independent reporting accountant's assurance report on regularity to Northern Leaders Trust (formerly Kenton Schools Academy Trust) and the Education and Skills Funding Agency**

---

In accordance with the terms of our engagement letter dated 18 July 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northern Leaders Trust during the year 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of Northern Leaders Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Northern Leaders Trust's funding agreement with the Secretary of State for Education dated 1 May 2012 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

## **Northern Leaders Trust**

(A company limited by guarantee)

### **Independent reporting accountant's assurance report on regularity to Northern Leaders Trust (formerly Kenton Schools Academy Trust) and the Education and Skills Funding Agency (continued)**

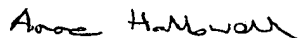
---

The work undertaken to support our conclusion includes:

- Testing a sample of expenditure to verify that the Trust's procurement procedures have been followed for the items selected;
- Testing a sample of payments to ensure that they are correctly authorised in accordance with the Trust's policies;
- Testing a sample of expenditure to verify the nature of spend is in line with funding agreements; and
- Testing a sample of income and expenditure to ensure systems and controls are being implemented in line with the Trust's policies.

#### **Conclusion**

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



**Anne Hallowell BSc DChA FCA  
UNW LLP**

Date: 14 December 2023

# Northern Leaders Trust

(A company limited by guarantee)

## Statement of financial activities (incorporating income and expenditure account) Year ended 31 August 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
<b>Income from:</b>						
Donations and capital grants	3	2	-	982	984	786
Other trading activities	5	674	-	-	674	634
Investments	6	56	50	-	106	2
Charitable activities	4	-	19,872	-	19,872	18,104
<b>Total income</b>		<b>732</b>	<b>19,922</b>	<b>982</b>	<b>21,636</b>	<b>19,526</b>
<b>Expenditure on:</b>						
Charitable activities	7	375	19,871	2,165	22,411	20,283
<b>Total expenditure</b>		<b>375</b>	<b>19,871</b>	<b>2,165</b>	<b>22,411</b>	<b>20,283</b>
<b>Net income/ (expenditure)</b>		<b>357</b>	<b>51</b>	<b>(1,183)</b>	<b>(775)</b>	<b>(757)</b>
Transfers between funds	18	-	(477)	477	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>357</b>	<b>(426)</b>	<b>(706)</b>	<b>(775)</b>	<b>(757)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains on defined benefit pension schemes	27	-	1,910	-	1,910	10,640
Derecognition of defined benefit pension scheme surplus	27	-	(2,510)	-	(2,510)	-
<b>Net movement in funds</b>		<b>357</b>	<b>(1,026)</b>	<b>(706)</b>	<b>(1,375)</b>	<b>9,883</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,234	2,961	27,646	31,841	21,958
Net movement in funds		357	(1,026)	(706)	(1,375)	9,883
<b>Total funds carried forward</b>		<b>1,591</b>	<b>1,935</b>	<b>26,940</b>	<b>30,466</b>	<b>31,841</b>

**Northern Leaders Trust**  
(A company limited by guarantee)

**Balance sheet**  
**At 31 August 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Tangible assets	14	26,850	27,646
<b>Current assets</b>			
Debtors	15	2,163	1,830
Cash at bank and in hand		5,331	5,308
		<u>7,494</u>	<u>7,138</u>
Creditors: amounts falling due within one year	16	(3,731)	(3,573)
<b>Net current assets</b>		<u>3,763</u>	<u>3,565</u>
<b>Total assets less current liabilities</b>		<u>30,613</u>	<u>31,211</u>
Creditors: amounts falling due after more than one year	17	(147)	(170)
<b>Net assets excluding defined benefit pension scheme asset</b>		<u>30,466</u>	<u>31,041</u>
Defined benefit pension scheme asset	27	-	800
<b>Total net assets</b>		<u><u>30,466</u></u>	<u><u>31,841</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	26,940	27,646
Restricted income funds	18	1,935	2,161
Pension reserve	18	-	800
<b>Total restricted funds</b>	18	<u>28,875</u>	<u>30,607</u>
<b>Unrestricted income funds</b>	18	<u>1,591</u>	<u>1,234</u>
<b>Total funds</b>		<u><u>30,466</u></u>	<u><u>31,841</u></u>



## **Northern Leaders Trust**

(A company limited by guarantee)

### **Balance sheet (continued)**

**At 31 August 2023**

---

The financial statements on pages 29 to 60 were approved by the Trustees, and authorised for issue on 14 December 2023 and are signed on their behalf, by:



**T Quincey**

Chair of Trustees

Company registered number: 07964133

The notes on pages 33 to 60 form part of these financial statements.

**Northern Leaders Trust**  
(A company limited by guarantee)

**Statement of cash flows**  
**Year ended 31 August 2023**

	Note	2023 £000	2022 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	430	2,614
<b>Cash flows from investing activities</b>	22	(387)	(1,387)
<b>Cash flows from financing activities</b>	21	(20)	31
<b>Change in cash and cash equivalents in the year</b>		23	1,258
Cash and cash equivalents at the beginning of the year		5,308	4,050
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<u>5,331</u>	<u>5,308</u>

The notes on pages 33 to 60 form part of these financial statements

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Notes to the financial statements**

### **Year ended 31 August 2023**

---

#### **1. Accounting policies**

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

##### **1.1 Basis of preparation of financial statements**

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

Kenton Schools Academy Trust meets the definition of a public benefit entity under FRS 102. The academy is incorporated in the United Kingdom and registered in England and Wales.

Assets and liabilities are initially recognised as historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in pounds sterling, which is the functional currency of the charity and are rounded to the nearest £000.

##### **1.2 Going concern**

In determining the appropriate basis of preparation of the financial statements, the Trustees are required to consider whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing of these financial statements.

The Trustees have performed this assessment and have prepared the financial statements on a going concern basis which is considered appropriate for the following reasons.

At 31 August 2023, the free reserves position was £3,526k and the academy had cash reserves of £5,331k.

The Trustees have prepared cash flow forecasts for a period in excess of 12 months from the date of their approval of these financial statements. The cash flow forecasts that the Trustees have prepared are based on their current best estimates and are in line with the funding agreement in place with the Department for Education and show that the academy can maintain sufficient financial headroom for the foreseeable future.

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.

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

---

### 1. Accounting policies (continued)

#### 1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

#### 1.4 Expenditure

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

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

- **Charitable activities**

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

All expenditure is inclusive of irrecoverable VAT.

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 August 2023

---

### 1. Accounting policies (continued)

#### 1.5 Tangible fixed assets and depreciation

All assets costing more than £3,000 (equipment and vehicles) or £7,000 (land, buildings and improvements) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long term leasehold land	- 125 years
Long-term leasehold property	- 21 to 50 years
Fixtures and fittings	- 5 years
Motor vehicles	- 5 years
Computer equipment	- 3 years

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

#### 1.6 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.

#### 1.7 Cash at bank and in 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.

#### 1.8 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.

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

---

### 1. Accounting policies (continued)

#### 1.9 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 bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.10 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

#### 1.11 Pensions

The Academy Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Academy Trust to the fund in respect of the year.

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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Notes to the financial statements**

### **Year ended 31 August 2023**

---

#### **1. Accounting policies (continued)**

##### **1.12 Agency arrangements**

The Trust acts as an agent in the administration of 16-19 bursary funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

##### **1.13 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.

##### **1.14 Fund accounting**

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

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

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

# **Northern Leaders Trust**

(A company limited by guarantee)

## **Notes to the financial statements Year ended 31 August 2023**

---

### **2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The 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 asset/(liability) depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension asset/(liability). Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions asset/(liability) at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/(liability). See notes 25 and 27 for further details.

Critical areas of judgment:

Depreciation - depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the fixed asset accounting policy.

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

The PFI contract is an agreement to receive services, and as the academy trust is deemed to control the services that are provided under the PFI scheme, the academy trust has recognised the assets used under the contracts within tangible fixed assets. The Trustees consider the cost of obtaining an additional valuation would outweigh the benefit.

The non-PFI premises are held on a 125 year lease from Newcastle City Council. As the risks and rewards of ownership has transferred to the academy trust, the asset has been recognised within tangible fixed assets. The initial acquisition was recognised at insurance valuation. The Trustees consider the cost of obtaining an additional valuation would outweigh the benefit.



# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

### 3. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Donations	2	-	2
Grants	-	982	982
	<u>2</u>	<u>982</u>	<u>984</u>

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Donations	3	-	3
Grants	-	783	783
	<u>3</u>	<u>783</u>	<u>786</u>

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

### 4. Funding for the Academy Trust's educational operations

	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	16,284	16,284	15,341
Other DfE/ESFA grants			
Pupil Premium	1,250	1,250	1,124
Supplementary Grant	719	719	-
Other DfE/ESFA Grants	153	153	286
<b>Other Government grants</b>			
SEN	305	305	347
Other Government Grants	605	605	755
<b>COVID-19 additional funding (DfE/ESFA)</b>			
Recovery Premium	351	351	166
School Led Tutoring	205	205	85
<b>Total</b>	<b>19,872</b>	<b>19,872</b>	<b>18,104</b>

### 5. Income from other trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Sundry income	224	224	199
Rental income	196	196	170
Catering	149	149	136
School fund	105	105	129
<b>Total</b>	<b>674</b>	<b>674</b>	<b>634</b>

**Northern Leaders Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2023**

**6. Investment income**

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000
Bank interest	56	-	56
Pension income	-	50	50
	<u>56</u>	<u>50</u>	<u>106</u>

	Unrestricted funds 2022 £000	Total funds 2022 £000
Bank interest	2	2

**7. Expenditure**

	Staff costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000
Educational operations:				
Direct costs	10,314	-	1,777	12,091
Allocated support costs	3,032	4,959	2,329	10,320
	<u>13,346</u>	<u>4,959</u>	<u>4,106</u>	<u>22,411</u>

	Staff costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000
Educational operations:				
Direct costs	9,543	-	977	10,520
Allocated support costs	3,219	4,334	2,209	9,762
	<u>12,762</u>	<u>4,334</u>	<u>3,186</u>	<u>20,282</u>

**Northern Leaders Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2023**

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000
Educational operations	12,091	10,320	22,411

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000
Educational operations	10,520	9,762	20,282

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

### 8. Analysis of expenditure by activities (continued)

#### Analysis of support costs

	Total funds 2023 £000	Total funds 2022 £000
Pension finance costs	-	140
Staff costs	2,822	3,219
Depreciation	2,165	2,180
Technology costs	249	288
Maintenance of premises and equipment	513	393
Cleaning	246	229
Rent and rates	1,346	1,326
Energy	689	206
Insurance	95	85
Security and transport	18	23
Catering	979	862
Other support costs	1,159	767
Governance costs	39	44
	<u>10,320</u>	<u>9,762</u>

### 9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £000	2022 £000
Operating lease rentals	36	34
Depreciation of tangible fixed assets	2,165	2,180
Fees paid to auditor for:		
- audit	16	14
- other assurance	1	1
	<u>2,212</u>	<u>2,329</u>

**Northern Leaders Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2023**

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	8,934	8,411
Social security costs	949	881
Pension costs	2,040	2,619
	<u>11,923</u>	<u>11,911</u>
Agency staff costs	1,360	785
Staff restructuring costs	63	66
	<u>13,346</u>	<u>12,762</u>

Staff restructuring costs comprise:

Severance payments	<u>63</u>	<u>66</u>
--------------------	-----------	-----------

**b. Severance payments and special staff severance payments**

The academy trust paid 2 severance payments in the year, disclosed in the following bands:

£0 - £25,000	1
£25,001 - £50,000	1

Included in staff restructuring costs are special severance payments totalling £6,000 (2022: £27,000). Individually, the payments were: £6,000.

**c. Staff numbers**

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

	2023 No.	2022 No.
Senior management	24	19
Teaching staff	126	135
Learning support staff	82	75
Support staff	45	43
	<u>277</u>	<u>272</u>

**Northern Leaders Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2023**

---

**10. Staff (continued)**

**d. Higher paid staff**

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>6</b>	<b>4</b>
In the band £70,001 - £80,000	<b>2</b>	<b>2</b>
In the band £80,001 - £90,000	<b>3</b>	<b>1</b>
In the band £90,001 - £100,000	<b>1</b>	<b>1</b>
In the band £100,001 - £110,000	<b>-</b>	<b>1</b>
In the band £120,001 - £130,000	<b>1</b>	<b>-</b>
In the band £130,001 - £140,000	<b>1</b>	<b>-</b>
In the band £180,001 - £190,000	<b>-</b>	<b>1</b>

**e. Key management personnel**

Key management personnel of the Academy Trust comprises the following individuals:

I Kershaw	CEO until 31 December 2022
L Kirtley	Executive Principal until 31 December 2022 and CEO from 1 January 2023
V Robinson	Chief Operating Officer
J Jackowiak	Director of HR
I Grayson	Trust Estates Manager
T Carson	Director of Governance
M Green	Interim Executive Principal from 1 January 2023

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £596,021 (2022: £397,662).

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

### 11. Central services

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

- finance
- human resources
- information technology
- CEO, business and governance support
- data management
- estates management

The Academy Trust charges for these services on the following basis:

Costs split based on actual charges where this can be determined, or pupil numbers, being 85% Kenton School and 15% Studio West.

The actual amounts charged during the year were as follows:

	2023 £000	2022 £000
Kenton School	790	761
Studio West	139	134
<b>Total</b>	<b>929</b>	<b>895</b>

### 12. Trustees' remuneration and expenses

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

		2023 £000	2022 £000
L Kirtley, current CEO & Accounting Officer (appointed 1 January 2023)	Remuneration	90 - 95	-
	Pension contributions paid	30 - 35	-
I Kershaw, former CEO & Accounting Officer (resigned 31 December 2022)	Remuneration	45 - 50	85 - 90
I Lane, former CEO & Accounting Officer (resigned 31 December 2021)	Remuneration	-	20 - 25
	Pension contributions paid	-	0 - 5

During the year, no Trustees received any other remuneration or benefits in kind (2022: £nil).

During the year, no Trustee expenses have been incurred (2022: £nil).



# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

### 13. Trustees' and Officers' insurance

In accordance with normal commercial practice, Northern Leaders Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2023 was £106 (2022: £143). The cost of this insurance is included in the total insurance cost.

Studio West has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

### 14. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 September 2022	42,495	422	77	2,388	45,382
Additions	1,227	75	6	61	1,369
At 31 August 2023	43,722	497	83	2,449	46,751
<b>Depreciation</b>					
At 1 September 2022	15,835	283	77	1,541	17,736
Charge for the year	1,636	42	1	486	2,165
At 31 August 2023	17,471	325	78	2,027	19,901
<b>Net book value</b>					
At 31 August 2023	26,251	172	5	422	26,850
At 31 August 2022	26,660	139	-	847	27,646

Included within long-term leasehold property is land with a cost of £440,000 (2022: £440,000).

## Northern Leaders Trust

(A company limited by guarantee)

### Notes to the financial statements Year ended 31 August 2023

#### 15. Debtors

	2023 £000	2022 £000
Trade debtors	170	66
Prepayments and accrued income	1,829	1,597
VAT recoverable	164	167
	<u>2,163</u>	<u>1,830</u>

#### 16. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	1,684	1,791
Loans (note 17)	22	19
Other taxation and social security	234	249
Other creditors	377	274
Accruals and deferred income	1,414	1,240
	<u>3,731</u>	<u>3,573</u>

	2023 £000	2022 £000
Deferred income at 1 September 2022	316	208
Resources deferred during the year	130	263
Amounts released from previous periods	(263)	(155)
Deferred income at 31 August 2023	<u>183</u>	<u>316</u>

#### 17. Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Loans	<u>147</u>	<u>170</u>

Loans relate to two CIF loans and two Salix loans. The CIF loans have a term of 10 years, are unsecured, incur interest of 1.95% and 2.07% and are repayable in equal monthly instalments from 1 September 2022. The Salix loans have a term of 8 years, are unsecured, interest free and are repayable in equal half-yearly instalments from 1 March 2022.

**Northern Leaders Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2023**

**18. Statement of funds**

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
<b>Unrestricted funds</b>						
Unrestricted general funds	1,234	732	(375)	-	-	1,591
<b>Restricted general funds</b>						
Restricted funds	2,161	19,872	(19,621)	(477)	-	1,935
Pension reserve	800	50	(250)	-	(600)	-
	<u>2,961</u>	<u>19,922</u>	<u>(19,871)</u>	<u>(477)</u>	<u>(600)</u>	<u>1,935</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	27,646	982	(2,165)	477	-	26,940
<b>Total restricted funds</b>	<u>30,607</u>	<u>20,904</u>	<u>(22,036)</u>	<u>-</u>	<u>(600)</u>	<u>28,875</u>
<b>Total funds</b>	<u>31,841</u>	<u>21,636</u>	<u>(22,411)</u>	<u>-</u>	<u>(600)</u>	<u>30,466</u>

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

The restricted fixed asset fund represents the fixed assets of the Trust, which are restricted to be applied for educational purposes in furtherance of the Trust's objects.

The restricted fund includes all remaining grant funds for the general running of the Trust.

The pension reserve equates to the Trust's share of the asset/deficit on the Local Government Pension Scheme in which it participates.

Unrestricted funds are all other funds of the Trust.

During the year, transfers have been made from the general restricted fund to the restricted fixed asset fund, representing capital additions not funded through direct capital grant.

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

### 18. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>Unrestricted funds</b>						
Unrestricted general funds	978	639	(247)	(136)	-	1,234
<b>Restricted general funds</b>						
Restricted funds	1,987	18,104	(16,766)	(1,164)	-	2,161
Pension reserve	(8,750)	-	(1,090)	-	10,640	800
	(6,763)	18,104	(17,856)	(1,164)	10,640	2,961
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	27,743	783	(2,180)	1,300	-	27,646
<b>Total restricted funds</b>	20,980	18,887	(20,036)	136	10,640	30,607
<b>Total funds</b>	21,958	19,526	(20,283)	-	10,640	31,841

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 August 2023

### 18. Statement of funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £000	2022 £000
Kenton School	3,516	3,385
Studio West	-	-
Central services	10	10
Total before fixed asset funds and pension reserve	3,526	3,395
Restricted fixed asset fund	26,940	27,646
Pension reserve	-	800
<b>Total</b>	<b>30,466</b>	<b>31,841</b>

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

### 18. Statement of funds (continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000
Kenton School	8,401	839	1,461	3,871	14,572
Studio West	2,834	432	416	1,035	4,717
Central services	-	794	-	163	957
<b>Academy Trust</b>	<b>11,235</b>	<b>2,065</b>	<b>1,877</b>	<b>5,069</b>	<b>20,246</b>

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000
Kenton School	8,633	700	959	2,991	13,283
Studio West	2,318	415	260	793	3,786
Central services	-	825	-	209	1,034
<b>Academy Trust</b>	<b>10,951</b>	<b>1,940</b>	<b>1,219</b>	<b>3,993</b>	<b>18,103</b>

**Northern Leaders Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2023**

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

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

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	26,850	26,850
Current assets	1,591	5,813	90	7,494
Creditors due within one year	-	(3,731)	-	(3,731)
Creditors due in more than one year	-	(147)	-	(147)
<b>Total</b>	<b>1,591</b>	<b>1,935</b>	<b>26,940</b>	<b>30,466</b>

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

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	27,646	27,646
Current assets	1,234	5,904	-	7,138
Creditors due within one year	-	(3,573)	-	(3,573)
Creditors due in more than one year	-	(170)	-	(170)
Provisions for liabilities and charges	-	800	-	800
<b>Total</b>	<b>1,234</b>	<b>2,961</b>	<b>27,646</b>	<b>31,841</b>

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

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

	2023 £000	2022 £000
Net expenditure for the year (as per statement of financial activities)	(775)	(757)
<b>Adjustments for:</b>		
Depreciation	2,165	2,180
Capital grants from DfE and other capital income	(982)	(783)
Defined benefit pension scheme cost less contributions payable	250	950
Defined benefit pension scheme finance cost	(50)	140
Increase in debtors	(333)	(1,373)
Increase in creditors	155	2,257
<b>Net cash provided by operating activities</b>	<b>430</b>	<b>2,614</b>

### 21. Cash flows from financing activities

	2023 £000	2022 £000
Cash inflows from new borrowing	-	31
Repayments of borrowing	(20)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(20)</b>	<b>31</b>

### 22. Cash flows from investing activities

	2023 £000	2022 £000
Purchase of tangible fixed assets	(1,369)	(2,170)
Capital grants from DfE Group	982	783
<b>Net cash used in investing activities</b>	<b>(387)</b>	<b>(1,387)</b>

### 23. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	5,331	5,308



# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 August 2023

### 24. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2023 £000
Cash at bank and in hand	5,308	23	-	5,331
Debt due within 1 year	(19)	20	(23)	(22)
Debt due after 1 year	(170)	-	23	(147)
	<u>5,119</u>	<u>43</u>	<u>-</u>	<u>5,162</u>

### 25. Contingent asset

As set out in note 27, the academy participates in a Local Government pension scheme, and the academy's share of the scheme's assets and liabilities are calculated in accordance with FRS 102. At 31 August 2023, the position is a net surplus of £2,510,000. Due to significant uncertainties around the academy's ability to recover this surplus through future reduced contributions, the asset values calculated have been capped within these financial statements and the asset has not been recognised on the balance sheet.

### 26. Capital commitments

	2023 £000	2022 £000
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<u>96</u>	<u>5</u>

### 27. Pension commitments

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

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

Contributions amounting to £204,880 were payable to the schemes at 31 August 2023 (2022: £196,223) and are included within creditors.

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

---

### 27. Pension commitments (continued)

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to TPS in the year amounted to £1,390,986 (2022: £1,298,851).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>)

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

**Northern Leaders Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2023**

**27. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £560,000 (2022: £480,000), of which employer's contributions totalled £390,000 (2022: £340,000) and employees' contributions totalled £170,000 (2022: £140,000). The agreed contribution rates for future years are 14.0 per cent for employers and 5.5 to 12.5 per cent for employees.

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

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

**Principal actuarial assumptions**

	2023 %	2022 %
Rate of increase in salaries	4.1	4.2
Rate of increase for pensions in payment/inflation	2.6	2.7
Discount rate for scheme liabilities	5.0	4.1
Inflation assumption (CPI)	2.6	2.7
Pension accounts revaluation rate	2.6	2.7

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

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

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

### 27. Pension commitments (continued)

#### Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(250)	(350)
Discount rate -0.1%	250	370
Mortality assumption - 1 year increase	(290)	(370)
Mortality assumption - 1 year decrease	290	370
CPI rate +0.1%	220	300
CPI rate -0.1%	(220)	(300)

#### Share of scheme assets

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

	2023 £000	2022 £000
Equities	7,170	7,450
Government bonds	180	220
Corporate bonds	2,630	2,570
Property	1,440	1,540
Cash and other liquid assets	240	250
Other	2,270	1,810
<b>Total market value of assets</b>	<b>13,930</b>	<b>13,840</b>

The actual return on scheme assets was £-280,000 (2022: £-180,000).

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

	2023 £000	2022 £000
Interest income	580	240
Interest cost	(530)	(380)
Current service cost	(640)	(1,290)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(590)</b>	<b>(1,430)</b>

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 August 2023

### 27. Pension commitments (continued)

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

	2023 £000	2022 £000
<b>At 1 September</b>	<b>13,040</b>	<b>22,560</b>
Current service cost	640	1,290
Interest cost	530	380
Employee contributions	170	140
Actuarial gains	(2,770)	(11,060)
Benefits paid	(190)	(270)
<b>At 31 August</b>	<b>11,420</b>	<b>13,040</b>

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

	2023 £000	2022 £000
<b>At 1 September</b>	<b>13,840</b>	<b>13,810</b>
Interest income	580	240
Actuarial losses	(860)	(420)
Employer contributions	390	340
Employee contributions	170	140
Benefits paid	(190)	(270)
<b>At 31 August</b>	<b>13,930</b>	<b>13,840</b>

Calculation of net pension scheme asset:

	2023 £000	2022 £000
Fair value of scheme assets	13,930	13,840
Present value of scheme liabilities	(11,420)	(13,040)
Derecognition of scheme surplus	(2,510)	-
<b>Net pension scheme asset recognised</b>	<b>-</b>	<b>800</b>

# Northern Leaders Trust

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 August 2023

---

### 28. Operating lease commitments

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

	2023 £000	2022 £000
Not later than 1 year	39	36
Later than 1 year and not later than 5 years	62	61
	<u>101</u>	<u>97</u>

### 29. Other financial commitments

Under the PFI arrangement, the academy has a financial liability to make payments to the PFI contractor under the life of the contract, which began in October 2008 and will run for 25 years. The cost is based on pupil numbers and in the current year was £1,258,315 (2022: £1,203,428). Funding was received from the ESFA to cover this commitment.

### 30. 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.

### 31. Related party transactions

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

Other than the CEO's remuneration disclosed in note 11, and the sale of a laptop to I Lane at market value of £350 in the prior year, following an offer to all staff and approval by the Trustees, there were no other related party transactions in either period.