

Registered Company number: 07492165

NORTH EAST LEARNING TRUST LIMITED

(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 August 2020

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**NORTH EAST LEARNING TRUST
FINANCIAL STATEMENTS
Year ended 31 August 2020**

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**NORTH EAST LEARNING TRUST
TRUSTEES' REPORT
Year ended 31 August 2020**

Members	Mr R Simpson Mrs D Nicholson Mr J Cameron (deceased Oct 2020) Mrs M Saxton Mrs B Waugh
Trustees	Mrs L Powell CBE- CEO and Accounting Officer Mrs M Saxton - Chair Mrs S McDonnell Mr D Gibson Mrs S Mason Mrs A Moon Major J Bartlett Mr R Fairlamb Mrs S Duncan – appointed 16 th October 2019
Accounting Officer	Mrs Lesley Powell CBE
Company Secretary	Mr Lee Alexander
Senior Management Team	
Chief Executive Officer (CEO)	Mrs Lesley Powell CBE
Deputy CEO	Dr Janice Gorch
Deputy CEO	Ms Toni Spoor
Head of Financial Services	Mr Lee Alexander
Head of Human Resources	Mrs Deborah Piggett
Principal and Registered Office	North East Learning Trust Passfield Way Peterlee Co Durham SR8 1AU
Company Registration Number	07492165
Independent Auditor	RSM UK Audit LLP 1 St James' Gate Newcastle upon Tyne NE1 4AD
Bankers	Lloyds PO Box 1000 Andover BX1 1LT
Solicitors	Ward Hadaway Law Firm Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX

**NORTH EAST LEARNING TRUST
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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, a strategic report and directors' report under company law.

The Trust currently operates three primary and six secondary academies across the North East of England. Its academies have a combined total of 6,082 on roll as per the October 2019 census. An additional secondary is expected to join the Trust in June 2021.

Structure, Governance and Management

Constitution

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

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

Members' liability

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

Trustees indemnities

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

Method of recruitment and appointment or election of trustees

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

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

The Secretary of State may appoint such Additional Trustees

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

Policies and procedures adopted for the induction and training of governors

The Trust is fully committed to the development of effective governance and provide training to assist Trustees and LAC Governors in undertaking their role. A regular skills audit is carried out which enables the trust to ensure that Trustees and LAC Governors have the necessary skills and experience to carry out their governance roles. Trustees and LAC Governors are provided with

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regular statutory updates and also have access to the website and a Governor POD (SharePoint system to facilitate the sharing and reporting of relevant academy information) to assist in their continuous professional development.

Organisational Structure

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

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

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

Trust Management Structure

North East Learning Trust - Trustees

Terms of Reference

- Delivering the charitable objectives of the Trust.
- Leadership of the organisation and managing the charitable assets.
- Ensuring compliance with the Trust's duties under company law and charity law and agreements made with the DFE including the funding agreement.
- The determination and educational character and mission of the Trust.
- Ensuring the solvency of the Trust company and charity and safeguarding its assets and delivering its charitable outcomes.
- Ensuring the continued charitable status of the Trust.
- Setting key strategic objectives and targets and reviewing performance against these.
- Determining the Trust development plan and reviewing all Academy development plans.
- The approval of all statutory policies that are common to all Academies within the Trust.
- Ensuring that the year-end accounts are submitted to members for approval.
- Entering all contracts on behalf of the Trust.
- The approval of annual estimates of income and expenditure for the Trust at the beginning of the academic year.
- To authorise income and expenditure in line with the Scheme of Delegation.
- The appointment or dismissal of the CEO, Deputy CEO, Executive Principal, Principal and Finance Director. In the case of Principals representatives of the Local Academy Council may be involved.
- Intervening as appropriate in any Academy at risk of underperformance.
- Determination of the establishment, constitution, membership, proceedings and delegated powers and functions of the Local Academy Council and committees and their annual review and revision.

North East Learning Trust – Local Academy Council (LAC)

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

Where an Academy joins the MAT with grade four from Ofsted/MAT review, the existing Governing Body will be replaced by an Interim Academy Council (IAC) if appropriate. The Trustees will be responsible for determining the members of the LAC and in some instances, where their skills will add to capacity may include some members of the existing Governing Body.

Where an Academy joins the MAT with grade three or above the local governors will form the Local Academy Council. Their number may be supplemented by MAT appointed members.

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

Arrangements for setting pay and remuneration of key management personnel

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

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

Trade Union facility time

Relevant union officials

Number of employees who were relevant union officials during the period (April 2019 to March 2020)	Full-time equivalent employee number
4	4

Percentage of time spent on facility

Percentage of time	Number of employees
0%	2
1%-50%	2
51%-99%	0
100%	0

Total pay bill and facility time costs

Total cost of facility time	£559
Total pay bill	£26,900k
Percentage of pay bill spent on facility time	0.00%

Paid trade union activities

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

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

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

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

NELT recognises the importance of regular communication with all employees. From a strategic perspective the Executive Board meets at least fortnightly and information is then communicated through the school network. The Executive Board also meet with Support Services Leaders to ensure all aspects of the business are involved in the strategic development process.

At the end of every term the CEO writes to every member of staff and updates them on progress as well as taking the opportunity to thank them for their hard work during the period.

Full staff briefings take place every half term highlighting new and emerging information and setting the scene for the period. At each school there is a weekly meeting cycle that includes Senior Leadership Team, Heads of Department and schools issue a weekly bulletin.

At a Trust level a wide range of strategic groups are in operation including teaching and learning, pastoral, SENDCO, Heads of Department where leads meet to engage, train and share best practice.

All staff are kept informed of how we are doing, CPD takes place on a regular basis and feedback is provided on quality and standards.

NELT has a Trade Union recognition agreement and has positive and pro-active relationships with all recognised trade unions. There is a termly Joint Consultative Committee (JCC) which whilst chaired by the Director of Human Resources is attended by the

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CEO who provides an update on key issues. All human resources policies are consulted upon through the JCC. Policies are reviewed on an annual basis to ensure that they remain compliant with all employment legislation.

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

The Trust has a comprehensive suite of HR policies that ensure that all staff are treated fairly and equitably at all times during their employment. All staff have access to a comprehensive Employee Assistance Programme which is available 24/7 and provides support for employees and their immediate family.

Staff with disabilities are supported and any member of staff who requires reasonable adjustments to remain in work is treated sensitively and compassionately. The HR Team lead on the management of all people matters across the Trust and this enables a fair and consistent approach.

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

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

The students are at the centre of our business and our engagement with children, families and agencies that support the education of our students is at the forefront of our daily operations. The Trustees receive regular reporting on student progress, outcomes and student related strategic initiatives throughout the year. The Trustees closely monitors the metrics and engages with the Executive board to understand the issues of the school's performance levels. This is also reflected at the relevant Local Academy Council level.

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

Throughout the year during the Covid-19 pandemic the Trust has continued to work with suppliers in support of the government procurement policy note (PPN), during a very difficult period. To support suppliers, the Trust has ensured prompt payment and made every effort to ensure lockdown and working from home across the entire Trust did not affect payment arrangements.

The Trust has many commercial stakeholders including sporting community groups, hire/lettings customers and School Centred Initial Teacher Training customers (SCITT). This period has been a challenging time for these groups as access to facilities in many respects have not been possible however engagement has been maintained with these groups throughout and plans prepared in partnership continue to be refined for a quick return to normal operations as and when it is safe to do so. The SCITT program has continued to be delivered, albeit in a different way due to Covid-19 controls, however continued regular engagement has been carried out using MS Teams.

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

Objectives and activities

Objects and aims

The principal objective and activity of the charitable trust is the furtherance of Education in the North East of England, specifically establishing, developing, maintaining and managing its academies, offering broad provision from Early years through to Sixth form provision. The Trust's object ("the Object") is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. The Academy Trust shall ensure that the broad and balanced curriculum includes English, Mathematics and Science and shall make provision for the teaching of religious education. The Academy Trust shall ensure that the Trust complies with any guidance issued by the Secretary of State from time

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to time to ensure that pupils take part in assessments and in teacher assessments of pupils' performance as they apply to maintained schools. In respect of all key stages the Academy Trust will submit the Trust to monitoring and moderation of its assessment arrangements as prescribed by the Secretary of State.

Objectives, strategies and activities

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

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

The main objectives and performance of the Trust during the year ended 31st August 2020 are summarised in the following table.

Objective	Performance
To raise the achievement of all students within the Trust.	<p>a) Primaries</p> <ul style="list-style-type: none"> Due to the Covid-19 pandemic there were no SATS examinations in 2020. However internal data analysis demonstrates that all three primaries were on track to meet targets and exceed previous outcomes. <p>b) Secondaries</p> <ul style="list-style-type: none"> Due to the Covid-19 pandemic there were no GCSE, A Level or vocational examinations at KS4 and KS5 this year. Centre Assessed Grades were produced following a rigorous approach within each school and significant activity took place to ensure successful post 16 and post 18 progression for our young people.
To build and develop capacity.	<ul style="list-style-type: none"> Governance has been strengthened further, with the progress of new key appointments in HR and H&S, which have further embedded good practice throughout the Trust. The central services team has continued to expand to meet increasing needs. Trust level School Improvement teams have been restructured, reflecting the growing size of the Trust. The Teaching School, SCITT and Research School continue to impact positively and significantly on trust development in year. These have been combined into a new structure to be known as the NELT Institute.
Finance, HR, ICT and Estates to be managed efficiently to deliver excellent value for money.	<ul style="list-style-type: none"> Finance team has been expanded and roles realigned to further meet the needs of the growing trust. The ICT development plan has been significantly boosted with the massive focus on the use of technology during the pandemic. This has included significant development of POD as well as the new Primary VLE (PANDA). We continue to develop our estate and significant work has been carried out this year. As a result of the pandemic we have seen increased focus on health and safety related activities.
Further develop our systematic approach to academy improvement.	<ul style="list-style-type: none"> Trust development teams are fully developed and deployed effectively. Trust teaching and learning working groups have ensured significant progress and as a result, where appropriate, systems and procedures are aligned and embedded. The introduction of remote learning from the very start of the first lockdown has also enhanced communication between teams of staff, as well as delivering our 'Virtual Schools' offer.

Teaching School, SCITT and Research School

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- Teaching School is, by size, one of the top ten in the country.
- SCITT is highly regarded, growing and popular both with trainees and employing schools.
- Research School is highly successful and growing with significant activity in the North East.
- The above have been combined into the NELT Institute this year and we have bids in place to operate one of the new Teaching School Hubs. The outcome of this bid will be known in January 2021. Regardless of the success of that bid, the NELT Institute will continue to operate as there is high demand for our support activity.

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020		2019/20
Energy consumption used to calculate emissions (kWh)		8,049,713
Scope 1 emissions in metric tonnes CO2e		
Gas consumption		1212.6
Owned transport – mini-buses		44.8
Total Scope 1		1257.4
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity		325.5
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles		16.49
Total gross emissions in metric tonnes CO2e		1599.3
Intensity ratio Tonnes CO2e per pupil		0.26

The Trust have adopted the GHG reporting protocol (Corporate Standard) and have used the 2020 UK Government's Conversion Factors for Company reporting. During the year energy surveys have been carried out to improve energy efficiency and all sites operate with smart meters which allows greater control of energy usage. The introduction of Microsoft Teams has made a sustainable improvement to motor vehicle use across trust sites. The Trust continue to operate photovoltaic panels and biomass installations to minimise our carbon footprint where possible.

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our Aims and Objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trust has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role. The Teaching School also contributes to the next generation of teachers, which has created greater opportunity for adults training in the North East of England.

STRATEGIC REPORT

Achievements and Performance KPI's

Significant development and improvement for all academies has continued to be the main priority throughout this year, despite the pandemic. Individual school performance data has not been collated or published this year due to the Covid-19 pandemic.

Remote Learning

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Remote Learning, Virtual Schools and the like have provided schools with a whole new vocabulary this year. In the short term this has provided an intense period of work, but in the longer term the rapid acceleration of our use of technology and associated skill sets will only be an advantage.

In the weeks preceding the first lockdown, in March 2020, significant work was carried out allowing us to launch our Virtual Schools, for every school, on the first day of lockdown. Some of our schools were able to deliver full time live lessons from the very beginning, with others having to carry out some system upgrades in order to reach this point. By the summer of 2020 all secondary schools could deliver live lessons and primary schools were using a newly developed in house VLE to support online learning. The Trust was well prepared in advance of the government guidance for schools re-opening and subsequently continued to provide high quality remote online learning in conjunction with the in school offer as and when children or staff have had to self-isolate. Our commitment and continued success with online learning, investment in technology and safeguarding software has allowed us to provide full time live remote teaching to all children and young people since January re-opening. In addition, we have configured and distributed 724 DfE devices (Laptops/ iPads) as well as 52 Wi-Fi devices.

Running along-side this has been an ongoing training programme for staff and students as well as the development of current policies to accommodate online learning, to ensure the maintenance of high quality teaching, learning and planning, the delivery of our FSM duties and the embedding of organisational structures in the safeguarding and well-being arena.

Key performance indicators

Expenditure ratios	2020	2019
Total staff costs/GAG income	100%	92%
Teaching staff costs/GAG income	76%	72%
Support staff costs/GAG income	24%	20%
Liquidity Ratio		
Current assets/current liabilities	2.7	2.0

Going concern

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

The Trust has been able to accommodate additional costs in relation to the Covid-19 pandemic through sound and effective financial management, utilising additional grant income provided through the DfE within the original current year budget. The ongoing strain on budgets into 2020/21 remain the same as a result of further lockdown measures, however it is anticipated that additional Covid-19 costs will be mitigated by further DfE support, similar recognised cost savings due to school closures and current resources.

Promoting the success of the company

General confirmation of Trustees and Executive duties

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

The likely consequences of any decision in the long term

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

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The financial medium term plan, continues to improve within a challenging period of funding uncertainty, sector cost pressures and rationalisation of supply vendors to provide levels of reserves that offer both security and opportunity for school improvement.

The consequences of our Office 365 IT strategy has had huge success and allowed us to move to virtual class room since the beginning of the first lockdown. In order to ensure the safety of all our users the Trust have invested in Smoothwall Monitor, Sophos endpoint security and a multi-layered border protection system incorporating email filtering and threat detection by Barracuda as well as adopting multi-factor authentication for added security. Deployed devices to support Covid-19 remote learning have a full suite of safeguarding mechanisms and protections to not only offer a greater level of protection but also to integrate into a seamless user experience for working on Office365 combined with accessible school resources."

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

The interests of the company's employees

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

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

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

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

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

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

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

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

The need to act fairly as between members of the company

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

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

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Financial Review

During the year ending 31st August 2020 total income of £52,855k (2019: £32,612k) represents an increase in income due to the recognition of transferring net reserves, assets and pension liabilities associated with the in year transfer of Hermitage Academy (£12,544k). Before transfers this was £40,311k. The majority of the Trust income is obtained from the DfE in the form of recurrent grants, made up of General Annual Grant £31,350k (2019: £25,586k), Other DfE Grants of £4,388k (2019: £2,251k) and Teaching School grants of £1,031k (2019: £1,060k), the use of which is restricted for particular purposes. Such grants and all associated expenditure are shown as restricted funds in the statement of financial activities for the year ended 31st August 2020.

The increase in the total expenditure to £44,213k (2019: £34,541k) is mainly due to the addition of Hermitage Academy. The excess of expenditure over income for the year excluding fixed assets and in year transfers was £1,829 (2019: £307k). The net in year surplus of £859k has increased the closing reserves to £4,892k (2019: £4,033k) being restricted reserve of £407k (2019: £409k) and unrestricted reserve of £4,485k (2019: £3,624). The net income excluding transfers in is £8,642k surplus (2019: £1,929k deficit).

Net current assets are £5,951k (2019: £4,033k), this increase reflects the addition of Hermitage Academy in September 2019. Cash balances remain favourable at £6,510k (2019: £5,385k).

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

The North East Learning Trust

The Trust has continued to develop Trust policy and establish processes and systems designed to make the integration of future new schools easier. Significant steps have been taken to ensure the Trust has sufficient capacity, including new staff appointments to support the growth and development strategy. The Trust head office function will also benefit from a central headquarters for Finance, Payroll, HR, IT, Estates, Marketing and communications all based in Peterlee, close to The Shotton Hall Academy lead school and central for all transport links to our schools. During the year further restructuring was undertaken to address the needs of schools to best serve students, improve service areas and rectify deficit budgets.

The Shotton Hall School Centred Initial Teacher Training (SCITT)

The SCITT rated as Outstanding by Ofsted in 2015, continues to be a success and generated additional income of £791k (2019: £741k). Outcomes were still strong for 2019-2020 cohort, despite the impact of Covid-19 resulting in trainees only being able to complete 7 weeks of teaching in schools, as opposed to 16 weeks as planned. Of the 80 trainees that were recommended for QTS in June 2020, 100% were successfully awarded and passed (2018: 73). Given the circumstances, and the very short amount of time that trainees spent in their second placement school, trainees were not graded by mentors in the usual manner. Instead, we followed DfE guidance which asked us to judge if trainees were on trajectory to meet QTS by the end of the academic year (had the pandemic not occurred), therefore eliminating the grading of trainees. Despite the difficulties of this year 70 out of 80 were in full-time employment upon completion of the course.

During the year the Trust has further developed Research School and Teaching School activity providing additional income of £1,031k (2019: £1,060k), resulting in a surplus of £4k (2019: £63k).

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

Financial and risk management objectives and policies

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

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

NORTH EAST LEARNING TRUST
TRUSTEES' REPORT
Year ended 31 August 2020

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

Reserves policy

It is intended that the Trustees will review the reserve levels of the Trust annually. This review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The academy intends to invest in further facilities for dining, physical education and is developing a long-term IT and asset replacement strategy to identify key lifecycle milestones. It is clear for most Trust academies that significant IT lifecycle replacement is needed in the next 1-2 years.

A long term pension deficit exists at 31 August 2020 of £17,158k (2019: £10,464k).

The level of free reserves at the year ended 31 August 2020 was £4,892k (2019: £4,033k), of which a reserve of £407k (2019: £409k) is restricted and £4,485k (2019: £3,624k) is unrestricted. These are funds which are available for furtherance of the educational charitable objectives.

The Trust target reserves are 2 months' expenditure which is £6,705k. Individual academies are expected to produce at least a break even budget each year with a surplus of 5% of GAG income targeted.

Investment policy

The investment policy aims to manage cash balances to provide daily working capital requirements. In addition, the Trust aims to invest surplus cash funds to optimise returns, while ensuring the investment instruments are such that there is no risk to the loss of these cash funds. No cash deposits existed at the year end, however following the rapid growth of schools joining the trust and a degree of uncertainty regarding their budgets and available reserves following transfer, combined with capital programmes that are now deferring investment that was anticipated to occur during 2019/20, investments are now planned in line with the Trust articles.

Principal risks and uncertainties

The Principal risks and uncertainties continue to arise from the rapid pace of change in the educational landscapes and the development of the Academies framework. In curricular terms we have adopted a working brief and are ensuring we respond quickly and flexibly. The most significant areas of concern arise from ongoing national changes to school funding as all schools are unclear as to how this would impact financially in future years.

The Trust has gone through a period of rapid growth, which has been managed effectively with the added support of additional capacity funding. The Trust continues to improve budgets and value for money, particularly for those schools that at the point of transfer had financial difficulties and there are very positive signs of improvement, but remain a risk until full recovery of student numbers are met. The medium term plan continues to identify areas of financial risk for which there are robust plans in action to remedy the overall trust financial position.

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

The ongoing uncertainty regarding school operation during the Covid-19 pandemic and has demanded constant re-assessment of risk, business continuity procedures, training and how we safely utilise school resources. The Trust remains diligent and committed to ensure our schools remain a safe environment for staff and children, whilst we continue to adapt and comply with government guidance.

Fundraising

The academy trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate.

**NORTH EAST LEARNING TRUST
TRUSTEES' REPORT
Year ended 31 August 2020**

Complaints are handled and monitored through the Trust's complaints procedure. The Trust does not utilise the services of a professional fundraiser.

Plans for Future Periods

The Trust is committed to the continual improvement of teaching and learning raising standards in conjunction with DfE and the Ofsted framework, but ultimately is focused on the best possible for our children. The Trustees are committed to the growth strategy and are focused on the development of best practice within all Trust schools, for the benefit of the wider trust. The Trustees are committed to raising the profile and standards of all Trust schools in order to increase pupil numbers and improve learning outcomes. The Trust is in the transfer process of a new secondary school to the NELT family of schools and continues to work with DfE and other schools for future Trust growth opportunities.

The Trust is committed to the furtherance of the NELT Institute bringing all school improvement elements together including SCITT, Research School, National Teaching Schools and a wide network of senior national leaders of education to offer high quality professional development and school improvement to both schools that we work with.

The Trust includes further challenges regarding building condition and sport facilities and is actively working to secure additional funding and improve available facilities.

Employee Consultation and Disabled Employees

The Trust is committed to ensuring equality of opportunity for all who learn and work in its academies. We respect and value differences in race, gender, sexual orientation, ability, class and age. We strive to remove conditions which place people at a disadvantage and we actively address bigotry and discrimination.

The Trust considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment within the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as is possible, identical to those for other employees.

The Trust works with employee trade unions and professional associations across all of its academies and engages in consultation, as required, to ensure that all aspects of the company affecting its employees, including financial and economic factors, are discussed, conveyed and consulted on with them.

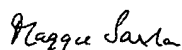
Auditors

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

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

The Trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 29th January 2021 and is signed on its behalf by:



Maggie Saxton
Chair

**NORTH EAST LEARNING TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2020**

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that North East Learning Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Trustees have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between North East Learning Trust the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of Governors' responsibilities. The Trustees have formally met 5 out of 6 planned times during the year and specifically prioritised and increased the number of Local Academy Council (LAC) meetings from 3 to 4 as a direct consequence of the Covid-19 pandemic, to ensure planning, support and oversight was carried out at a local school level as part of the Trusts response to re-opening of schools. The board of Trustees have exercised effective oversight throughout the year and in direct response to the demands of the Covid-19 pandemic have maintained regular engagement with the Executive board and LAC utilising information shared on Governors' POD, LAC minutes and specific updates throughout the pandemic. Attendance during the year at meetings of the Trustees was as follows:

Governor	Meetings Attended	Out of a Possible
Mrs L Powell	4	5
Mrs M Saxton	5	5
Mrs S McDonnell	3	5
Mr D Gibson	5	5
Mrs S Mason	4	5
Mrs A Moon	5	5
Major J Bartlett	4	5
Mr R Fairlamb	3	5
Mrs S Duncan	3	5

Governance review

The governance manager continually reviews policy updates, governance structure and scheme of delegation, to confirm that they are 'fit for purpose'. During the year the Trust's biggest challenge was in relation to Trust growth, the Trustees were kept informed throughout the early due diligence phase in all respects and had confidence that the new Academy's would in time benefit the wider Trust once development plans were executed. The Trust has reviewed the website compliance assessment undertaken by the Executive board as a continuation of the independent governance reviews that were concluded at the end of the 2018/19. Trustees intend to reinstate such reviews in the near future as and when it is practical to do so. In addition, a review of the DfE School Resource Management Self-Assessment Tool Checklist was undertaken with actions to improve business continuity which will continue during 2020/21.

During the year the Trust continued to develop governance to establish any improvement to further embed consistent practice throughout the Trust. The ongoing development of LAC's continues ensuring they undertake their responsibilities for the review of academy performance as defined by the scheme of delegation. Trustees are kept well apprised of school performance and review by LAC's at committee meetings. Trustees are mindful of the need to increase leadership and support functions in line with Trust growth and are satisfied that appropriate action has been taken to minimise areas of risk and build on resource and expertise in key areas to facilitate Trust development. Trustees have received timely information regarding the development and progress at all schools, with particular scrutiny of new schools and the challenges they face in the early phase of joining the Trust. Trustees are confident that future financial forecasts are strong which will allow the Executive Board to implement improvement plans that will aim to increase student numbers and academic results for students.

**NORTH EAST LEARNING TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2020**

The Finance and Audit committee is a subcommittee of the main governing body made up of 4 trustees and one member, its purpose is to review the financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

- Assisting the decision-making process of the Trust, by enabling more detailed consideration to be given to the finances and resources.
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006, Charity Commission requirements and the DfE guidance issued to Academies.
- Reporting directly to Trustees.
- Compliance with financial regulations and standing orders of the Trust.
- Considering all personnel management procedures.
- To apply the Performance Management Scheme for the Principals and Executive Principals of the Academies.
- To make recommendations on these matters to the Trustees.

During the year the Finance and Audit committee did not meet separately due to Covid-19 restrictions, however robust governance and effective financial management reviews have been maintained throughout the year by Trustees, combining the updates from the executive board, sharing of monthly management accounts and other information on the Governors Pod online site.

Review of value for Money

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

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

Trust academy contracts for supplies and services and an exercise to standardise and limit suppliers is ongoing which will ultimately provide a Trust catalogue of approved items. The central Finance function negotiates contracts on behalf of the Trust enabling us to secure greater value for money through the increased purchasing power and time saved at local academies no longer needing to be involved in detailed price negotiations.

Catering supplies have largely been aligned, which has both streamlined the ingredients used and improved the catering offer.

We continue to use both national (Crown Commercial Services) and local authority frameworks for the procurement of IT equipment and licensing and multi-function print devices. It is anticipated that we will see significant savings utilising new CCS frameworks for utilities, agency staff and perhaps recruitment costs over the next year.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of North East Learning Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in North East Learning Trust for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trustees review the key risks of North East Learning Trust on an on-going basis to minimise any potential risk together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are aware of the view that there is a formal on-going process for identifying, evaluating and managing North East Learning Trust significant risks that has been in place for the year ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

**NORTH EAST LEARNING TRUST
GOVERNANCE STATEMENT
Year ended 31 August 2020**

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Local Academy Council;
- regular reviews by the Finance and Premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trustees have considered the need for a specific internal audit function and has decided to engage Audit One to provide separate assurance engagements throughout the year to complete a range of checks on the Academy Trust's financial systems. Internal assurance reports will be reported to the Trustees on the operation of the systems of control and on the discharge of the Trust's financial responsibilities.

Specific reviews undertaken during the year related to a review of core financial processes. There were no significant findings from these reports.

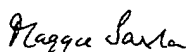
On completion of these reports, the reviewer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. Approved by order of the members of the Trustees on 29th January 2021 and signed on its behalf by:



Maggie Saxton
Chair



Lesley Powell
Accounting Officer

NORTH EAST LEARNING TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
Year ended 31 August 2020

As Accounting Officer of North East Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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.



Mrs Lesley Powell
Accounting officer

NORTH EAST LEARNING TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
Year ended 31 August 2020

The trustees (who act as trustees for charitable activities of North East Learning Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and Academies Accounts Direction 2019-20;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board on 29th January 2021 and signed on its behalf by:


Maggie Saxton
Chair

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORTH EAST LEARNING TRUST LIMITED
Year ended 31 August 2020**

Opinion

We have audited the financial statements of North East Learning Trust (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORTH EAST LEARNING TRUST LIMITED
Year ended 31 August 2020**

Matters on which we are required to report by excep'tion

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' or the Strategic Report included within the Trustees' report.

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

- adequate accounting records have not been kept by the charity, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle Upon Tyne
NE1 4AD

29 Jan 2021

NORTH EAST LEARNING TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
for the year ended 31 August 2020

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	4	11	-	1,727	1,738	1,384
Transfer of existing academies into the Trust		1,241	(2,579)	13,882	12,544	-
Charitable activities:						
Funding for the academy trust's educational operations	2	186	35,996	-	36,182	28,469
Teaching Schools	30	-	1,031	-	1,031	1,060
Other trading activities	5	1,316	31	-	1,347	1,669
Teaching Schools	30	10	-	-	10	26
Investment income	6	3	-	-	3	4
Total		<u>2,767</u>	<u>34,479</u>	<u>15,609</u>	<u>52,855</u>	<u>32,612</u>
Expenditure on:						
Raising funds	7	865	5	-	870	1,085
Charitable activities:						
Academy trust educational operations	8	258	38,248	3,800	42,306	32,433
Teaching Schools	30	-	1,037	-	1,037	1,023
Total		<u>1,123</u>	<u>39,290</u>	<u>3,800</u>	<u>44,213</u>	<u>34,541</u>
Net income / (expenditure)		1,644	(4,811)	11,809	8,642	(1,929)
Transfers between funds	19	(783)	783	-	-	-
Other recognised gains / (losses):						
Remeasurement of net defined benefit Obligations	29	-	(2,668)	-	(2,668)	(2,972)
Net movement in funds		<u>861</u>	<u>(6,696)</u>	<u>11,809</u>	<u>5,974</u>	<u>(4,901)</u>
Reconciliation of funds						
Total funds brought forward		<u>3,624</u>	<u>(10,055)</u>	<u>61,465</u>	<u>55,034</u>	<u>59,935</u>
Total funds carried forward		<u>4,485</u>	<u>(16,751)</u>	<u>73,274</u>	<u>61,008</u>	<u>55,034</u>

NORTH EAST LEARNING TRUST
(Company number: 07492165)
BALANCE SHEET
for the year ended 31 August 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	14	72,411	61,437
Intangible assets	13	20	28
		<u>72,431</u>	<u>61,465</u>
Current assets			
Stock	15	81	25
Debtors	16	2,436	2,583
Cash at bank and in hand		<u>6,510</u>	<u>5,385</u>
		<u>9,027</u>	<u>7,993</u>
Liabilities			
Creditors: amounts falling due within one year	17	(3,261)	(3,960)
Net current assets		<u>5,766</u>	<u>4,033</u>
Creditors: amounts falling due after one year	18	(31)	-
Net assets (excluding pension liability)		<u>78,166</u>	<u>65,498</u>
Pension scheme liability	29	<u>(17,158)</u>	<u>(10,464)</u>
Net assets (including pension liability)		<u>61,008</u>	<u>55,034</u>
Funds of the Trust:			
Restricted funds			
Restricted fixed Asset fund	19	73,274	61,465
Restricted general fund	19	407	409
Pension fund	19	<u>(17,158)</u>	<u>(10,464)</u>
		<u>56,523</u>	<u>51,410</u>
Unrestricted fund			
General fund	19	<u>4,485</u>	<u>3,624</u>
Total funds	19	<u>61,008</u>	<u>55,034</u>

The financial statements on pages 22 to 47 were approved by the Governors and authorised for issue on 29th January 2021 and signed on their behalf by:

Maggie Saxton

Maggie Saxton
Chair

**NORTH EAST LEARNING TRUST
CASHFLOW STATEMENT
for the year ended 31 August 2020**

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	26	(1,298)	739
Cash flows from investing activities	26	822	(1,267)
Cash transferred from joining academy trust	28	1,615	-
Cash flow from financing activities	26	(14)	-
Change in cash and cash equivalents in the reporting period		1,125	(528)
Cash and cash equivalents at 1 September 2019		5,385	5,913
Cash and cash equivalents at 31 August 2020	26	6,510	5,385

**NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1 STATEMENT OF ACCOUNTING POLICIES

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

General Information

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

North East Learning Trust meets the definition of a public benefit entity under FRS 102, and has therefore applied the relevant public benefit requirements of FRS 102.

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

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

Going Concern

After reviewing financial and other information available, and considering the known impact of Covid-19 the trustees consider 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.

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

The Trust has been able to accommodate additional costs in relation to the Covid-19 pandemic through sound and effective financial management, utilising additional grant income provided through the DfE within the original current year budget. The ongoing strain on budgets into 2020/21 remain the same as a result of lockdown measures, however it is anticipated that additional Covid-19 costs will be mitigated by further DfE support, similar recognised cost savings due to school closures and current resources.

Incoming resources

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

Grants

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

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

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

Donations

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

Other income

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

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of existing academies into the trust

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

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

Interest receivable

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

Expenditure

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

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

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

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 Governors.

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

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

Building Schools for the Future

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

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

Property subject to a Private Finance Initiative (PFI) arrangement

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

Intangible Fixed Assets

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

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

- | | |
|-------------------------------|---------|
| • Purchased computer software | 5 years |
|-------------------------------|---------|

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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

- | | |
|---|---------------------|
| • Freehold buildings & Leasehold improvements | 10 years – 50 years |
| • Leasehold buildings | 25 years |
| • Fixtures, fittings and equipment | 7 years |
| • ICT Hardware | 5 years |
| • Motor vehicles | 5 years |

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

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Stock

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Liabilities

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

Operating leases

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

Financial Instruments

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

Financial assets and liabilities

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

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

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

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

Derecognition of financial assets and liabilities

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

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. As stated in Note 29, the TPS is a multi-employer scheme and the

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Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected credit unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

Agency arrangements

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £3,792k.

Critical areas of judgement:

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

PFI arrangements

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

The considerations include:

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

2 CHARITABLE ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Funding for the Academy Trusts educational operations				
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG) (note 3)	-	31,350	31,350	25,586
Start-up grants	-	-	-	137
Other DfE/Group grants	166	4,222	4,388	2,251
	<u>166</u>	<u>35,572</u>	<u>35,738</u>	<u>27,974</u>
OTHER GOVERNMENT GRANTS				
Local authority grants	-	346	346	398
Other grants	20	78	98	97
	<u>186</u>	<u>35,996</u>	<u>36,182</u>	<u>28,469</u>
Teaching School (note 30) – DfE grants	-	1,031	1,031	1,060
Total	<u>186</u>	<u>37,027</u>	<u>37,213</u>	<u>29,529</u>
2019	<u>-</u>	<u>29,529</u>	<u>29,529</u>	

3 GENERAL ANNUAL GRANT (GAG)

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

4 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Restricted fixed assets Funds £000	Total 2020 £000	Total 2019 £000
Donations	11	-	-	11	25
Capital grants	-	-	1,727	1,727	1,359
Total	<u>11</u>	<u>-</u>	<u>1,727</u>	<u>1,738</u>	<u>1,384</u>
2019	<u>25</u>	<u>-</u>	<u>1,359</u>	<u>1,384</u>	

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5 OTHER TRADING ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Catering income	975	-	975	1,044
School trips	152	-	152	378
Income from lettings	22	-	22	9
Sale of merchandise	18	-	18	30
Other income	149	31	180	208
	<u>1,316</u>	<u>31</u>	<u>1,347</u>	<u>1,669</u>
Teaching School (note 30)	10	-	10	26
	<u>1,326</u>	<u>31</u>	<u>1,357</u>	<u>1,695</u>
2019	<u>1,622</u>	<u>73</u>	<u>1,695</u>	

6 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	3	-	3	4
2019	<u>4</u>	<u>-</u>	<u>4</u>	

7 EXPENDITURE

	Staff Costs £000	Non Pay Expenditure		Total 2020 £000	Total 2019 £000
		Premises £000	Other £000		
Expenditure on raising funds:					
Allocated support costs	-	-	870	870	1,085
Academy's educational operations:					
Direct costs	24,024	3,003	2,555	29,582	23,324
Allocated support costs	7,234	-	5,490	12,724	9,109
Teaching school					
Direct costs	438	-	-	438	423
Allocated support costs	44	-	555	599	600
	<u>31,740</u>	<u>3,003</u>	<u>9,470</u>	<u>44,213</u>	<u>34,541</u>

Expenditure on raising funds was £870k (2019: £1,085k) of which £865k (2019: £1,033k) was unrestricted and £5k (2019: £52k) was restricted general fund.

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	2020	2019
	£000	£000
Income/(expenditure) for the period includes:		
Depreciation and Amortisation	3,800	2,981
PFI service cost	1,119	1,146
Fees payable to auditor for:		
Audit	29	22
Other assurance services	8	14
Net interest on defined benefit pension liability	235	182

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Total 2020 £000	Total 2019 £000
Direct costs		
Educational operations	29,582	23,324
Teaching schools	438	423
Support costs		
Educational operations	12,724	9,109
Teaching schools	599	600
	<u>43,343</u>	<u>33,456</u>

Analysis of support costs	Educational operations £000	Teaching schools £000	Total 2020 £000	Total 2019 £000
Support staff costs	7,234	44	7,278	4,576
Maintenance of premises & equipment	501	-	501	431
Payment under PFI arrangements	1,119	-	1,119	1,146
Rates	724	-	724	610
Insurance	168	-	168	115
Recruitment & support	59	-	59	48
Bank interest & charges (incl. defined benefit pension costs FRS 102 £235k)	247	-	247	195
Staff Insurance	224	-	224	108
Travel & Subsistence	108	3	111	165
Transport	171	-	171	209
Work Related	373	-	373	289
Subscriptions	118	4	122	57
Printing/Photocopying	175	4	179	176
Service Contracts	442	187	629	604
Governance costs	70	8	78	81
Cleaning Costs	490	-	490	359
Legal Costs	51	-	51	50
Other Support Costs	450	349	799	490
Total support costs	<u>12,724</u>	<u>599</u>	<u>13,323</u>	<u>9,709</u>

Expenditure on charitable activities was £43,343k (2019: £33,456k) of which £258k (2019: £110k) was unrestricted, £3,800k (2019: £2,981) was restricted fixed asset funds and £39,285 (2019: £30,365) was restricted general funds.

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9 STAFF COSTS

a)	2020 £'000	2019 £'000
Staff costs during the period were:		
Wages and salaries	22,718	17,882
Social security costs	2,219	1,742
Pension cost	6,033	3,255
Apprenticeship Levy	113	97
	<u>31,083</u>	<u>22,976</u>
Supply teacher costs	446	496
Staff restructuring costs	211	164
	<u>31,740</u>	<u>23,636</u>

b) Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £86k (2019: £77k).

Individually the payments were £3,000, £1,613, £6,113, £16,063, £16,000, £6,045, £2,000, £1,700, £8,815, £4,200, £6,929, £12,000 and £1,305.

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

c) Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year ended 31 August 2020 was as follows:

	2020 No.	2019 No.
Teachers	421	305
Administration and support	427	333
Management	23	20
	<u>871</u>	<u>658</u>

d) Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	12	10
£70,001 - £80,000	6	4
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	2	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	1	1

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e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions and employer National Insurance contributions) received by key management personnel for their services to the academy trust was £699,064 (2019: £625,324).

10 CENTRAL SERVICES

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

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

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

The actual amounts charged during the year were as follows:

		Total 2020 £'000		Total 2019 £'000
	£'000		£'000	
The Academy at Shotton Hall – Academy only	460		429	
Shotton Hall SCITT	47		30	
Teaching School	27		24	
		534		483
The Academy at Shotton Hall		31		24
Brownley Primary Academy		177		192
Teesdale Academy		262		245
Easington Academy		45		53
Sacriston Academy		72		66
Diamond Hall Junior Academy		392		386
Ashington Academy		265		247
Bedlington Academy		474		-
Hermitage Academy		2,252		1,696

11 TRUSTEES' REMUNERATION AND EXPENSES

The Executive Principal only receives remuneration in respect of services they provide undertaking the role of Principal and Accounting Officer. Under their contract of employment and not in respect of their service as trustee. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees. The annual amount of Principal's remuneration was £169,546 (2019: £165,008) and pension contributions paid in the year was £40,149 (2019: £27,193).

During the year ended 31 August 2020 the trustees were reimbursed expenses relating to travel and subsistence expenses of £0 (2019: £11).

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

**NORTH EAST LEARNING TRUST
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12 TRUSTEES' AND OFFICERS' INSURANCE

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

13 INTANGIBLE FIXED ASSETS

	Computer Software £000	Total £000
Cost		
At 1 September 2019	41	41
Additions		
Disposals	-	-
At 31 August 2020	41	41
Depreciation		
At 1 September 2019	13	13
Charged in year	8	8
Disposals	-	-
At 31 August 2020	21	21
Net book values		
At 31 August 2019	28	28
At 31 August 2020	20	20

14 TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost					
At 1 September 2019	66,703	560	856	134	68,253
Additions	381	184	317	26	908
Transfers in	13,747	111	-	-	13,858
Disposals	-	-	-	-	-
At 31 August 2020	80,831	855	1,173	160	83,019
Depreciation					
At 1 September 2019	6,127	229	395	65	6,816
Charged in year	3,512	93	159	28	3,792
Disposals	-	-	-	-	-
At 31 August 2020	9,639	322	554	93	10,608
Net book values					
At 31 August 2019	60,576	331	461	70	61,437
At 31 August 2020	71,192	532	619	68	72,411

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15 STOCK

	2020 £000	2019 £000
Exercise Books	81	25
	<u>81</u>	<u>25</u>

16 DEBTORS

	2020 £000	2019 £000
Trade debtors	129	39
VAT recoverable	97	996
Other debtors	20	24
Prepayments and accrued income	2,190	1,524
	<u>2,436</u>	<u>2,583</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £000	2019 £000
Trade creditors	882	1,762
Other taxation and social security	534	430
Other creditors	575	217
Accruals and deferred income	1,270	1,551
	<u>3,261</u>	<u>3,960</u>

	2020 £000	2019 £000
Deferred income		
Deferred income at 1 September 2019	406	174
Released from previous years	(405)	(162)
Resources deferred in the year	315	394
Deferred Income at 31 August 2020	<u>316</u>	<u>406</u>
Accruals	954	1,145
Total accruals and deferred income	<u>1,270</u>	<u>1,551</u>

At the balance sheet date, the Trust was holding funds received in advance for teaching school grants of which the conditions have not yet been fulfilled and trip income for the following year.

CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2020 £000	2019 £000
Salix Loan Creditor	31	-
	<u>31</u>	<u>-</u>

This loan is provided from the Salix funding scheme and is interest free.

NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19 FUNDS

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
General Annual Grant (GAG)	-	32,382	(33,166)	783	(1)
Start Up Grant	-	-	-	-	-
Pupil Premium	(1)	2,003	(2,004)	-	(2)
Other government grants	411	2,673	(2,673)	-	411
Pension reserve	(10,464)	(2,579)	(1,447)	(2,668)	(17,158)
	<u>(10,055)</u>	<u>34,479</u>	<u>(39,290)</u>	<u>(1,885)</u>	<u>(16,751)</u>
Restricted fixed asset funds					
Transfers in	57,250	13,882	-	-	71,132
DfE/EFA capital grants	3,040	1,727	(3,800)	-	967
Capital expenditure from GAG	1,140	-	-	-	1,140
Donations	35	-	-	-	35
	<u>61,465</u>	<u>15,609</u>	<u>(3,800)</u>	<u>-</u>	<u>73,274</u>
Total restricted funds	<u>51,410</u>	<u>50,088</u>	<u>(42,090)</u>	<u>(1,885)</u>	<u>56,523</u>
Total unrestricted funds	<u>3,624</u>	<u>2,767</u>	<u>(1,123)</u>	<u>(783)</u>	<u>4,485</u>
Total funds	<u>55,034</u>	<u>52,855</u>	<u>(44,213)</u>	<u>(2,668)</u>	<u>61,008</u>

Analysis of movement in funds – previous year

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	27	26,646	(26,883)	210	-
Start-up grant	-	137	(137)	-	-
Pupil Premium	(1)	1,713	(1,713)	-	(1)
Other government grants	411	1,106	(1,106)	-	411
Pension reserve	(6,913)	-	(579)	(2,972)	(10,464)
	<u>(6,478)</u>	<u>29,602</u>	<u>(30,417)</u>	<u>(2,762)</u>	<u>(10,055)</u>
Restricted fixed asset funds					
Transfer on conversion	60,049	-	(2,799)	-	57,250
DfE/Group capital grants	1,863	1,359	(182)	-	3,040
Capital expenditure from GAG	904	-	-	236	1,140
Capital donations	35	-	-	-	35
	<u>62,851</u>	<u>1,359</u>	<u>(2,981)</u>	<u>236</u>	<u>61,465</u>
Total restricted funds	<u>56,373</u>	<u>30,961</u>	<u>(33,398)</u>	<u>(2,526)</u>	<u>51,410</u>
Total unrestricted funds	<u>3,562</u>	<u>1,651</u>	<u>(1,143)</u>	<u>(446)</u>	<u>3,624</u>
Total funds	<u>59,935</u>	<u>32,612</u>	<u>(34,541)</u>	<u>(2,972)</u>	<u>55,034</u>

**NORTH EAST LEARNING TRUST
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19 FUNDS (continued)

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

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

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

Analysis of academies by fund balance

Fund Balance as at 31 August 2020 were allocated as follows:

	2020	2019
	£'000	£'000
The Academy at Shotton Hall	2,079	2,036
Teaching school	130	130
Shotton Hall SCITT	65	61
	<u>2,274</u>	<u>2,227</u>
Browney Primary Academy	32	16
Teesdale Academy	(261)	91
Easington Academy	599	698
Sacriston Academy	41	96
Diamond Hall Junior Academy	368	210
Ashington Academy	1,052	792
Bedlington Academy	(283)	(145)
Hermitage Academy	1,030	-
North East Learning Trust (central services)	40	48
Total before fixed assets and pension reserve	<u>4,892</u>	<u>4,033</u>
Restricted fixed asset fund	73,274	61,465
Pension reserve	<u>(17,158)</u>	<u>(10,464)</u>
Total	<u>61,008</u>	<u>55,034</u>

**NORTH EAST LEARNING TRUST
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19 FUNDS (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs excluding depreciation	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
The Academy at Shotton Hall	5,120	602	379	1,767	7,868	7,656
Browney Primary Academy	478	65	40	134	717	629
Shotton Hall SCITT	-	319	9	412	740	736
Teaching School	27	136	-	59	223	233
Teesdale Academy	2,430	440	141	474	3,485	3,188
Easington Academy	3,071	672	195	594	4,532	4,505
Sacriston Academy	683	158	33	261	1,135	1,155
Diamond Hall Junior Academy	963	367	42	278	1,650	1,589
Ashington Academy	3,546	961	177	805	5,489	5,277
Bedlington Academy	3,084	518	166	693	4,461	4,223
Hermitage Academy	4,077	1,057	307	829	6,270	-
NELT (Central Services)	545	2,421	5	872	3,843	2,369
The Trust	24,024	7,716	1,494	7,179	40,413	31,560

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Fund	Total 2020
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	72,411	72,411
Intangible fixed assets	-	-	20	20
Current assets	4,485	3,699	843	9,027
Liabilities	-	(3,292)	-	(3,292)
Pension liability	-	(17,158)	-	(17,158)
Total net assets	4,485	(16,751)	73,274	61,008

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

Analysis of movement in funds – previous year

	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Fund	Total 2019
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	61,437	61,437
Intangible fixed assets	-	-	28	28
Current assets	3,624	4,369	-	7,993
Current liabilities	-	(3,960)	-	(3,960)
Pension liability	-	(10,464)	-	(10,464)
Total net assets	3,624	(10,055)	61,465	55,034

21 CAPITAL COMMITMENTS

	2020 £'000	2019 £'000
Contracted for but not provided for in the financial statements	216	-

22 FINANCIAL COMMITMENTS

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

	2020 £'000	2019 £'000	2020 £'000	2019 £'000
	Other	Other	Land & building	Land & building
Expiring within one year	92	92	453	448
Expiring within two and five years inclusive	368	369	1,844	1,799
Expiring in over five years	1,570	1,661	5,968	6,447
	2,030	2,122	8,265	8,694

One contract expires in 2036 and the other 2041.

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

23 ULTIMATE CONTROLLING PARTY

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

**NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24 RELATED PARTY TRANSACTIONS

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

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

Income related party transactions

During the year the Trust provided finance support to Apollo Schools Trust. The value of the transaction was £11k (2019: £11k).

Expenditure related party transactions

Apollo Schools Trust have provided much needed alternative education for a number of deprived students and provided special educational needs specifically tailored for the student's wellbeing and outcomes. The total value of the transactions was £141k (2018: £110k). All charges were at cost charged under a service level agreement.

In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2019.

25 MEMBERS LIABILITY

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

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

	2020 £000	2019 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	8,642	(1,929)
Adjusted for:		
Depreciation [note 13 and 14]	3,800	2,981
Capital grants from DfE and other capital income	(1,727)	(1,359)
Interest receivable [note 6]	(3)	(4)
Transfers of existing academies into the Trust	(12,544)	-
Defined benefit pension scheme cost less contributions payable [note 29]	1,211	397
Defined benefit pension scheme finance cost [note 29]	235	182
(Increase)/decrease in stocks	(48)	-
Increase/(decrease) in debtors	287	(305)
Increase/(decrease) in creditors	(1,151)	776
Net cash provided by / (used in) Operating Activities	(1,298)	739

**NORTH EAST LEARNING TRUST
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b Cash flows from investing activities

	2020	2019
	£000	£000
Interest	3	4
Purchase of tangible fixed assets	(908)	(2,624)
Purchase of Intangible fixed assets	-	(5)
Capital grants from DfE/ESFA	1,727	1,358
Net cash provided by / (used in) investing activities	822	(1,267)

c Cash flows from financing activities

	2020	2019
	£000	£000
Salix loan repayment	(14)	-

d Analysis of cash and cash equivalents

	At 31 August 2020 £000	At 31 August 2019 £000
Cash in hand and at bank	6,510	5,385

27 ANALYSIS OF CHANGE IN NET FUNDS

	At 31 August 2019 £000	Cash flows £000	Non cash £000	At 31 August 2020 £000
Cash in hand and at bank	5,385	1,125	-	6,510
Debt due after 1 year	-	14	(46)	(32)
	5,385	1,139	(46)	6,478

**NORTH EAST LEARNING TRUST
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28 TRANSFER OF EXISTING ACADEMY INTO THE TRUST

On 1st September 2019 The Hermitage Academy joined North East Learning Trust and all the operations and assets and liabilities were transferred to North East Learning Trust for £nil consideration.

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

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

Hermitage Academy	Value reported by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Intangible assets			
Tangible fixed assets			
Freehold land and buildings	13,747	-	13,747
Furniture and equipment	111	-	111
Current assets			
Stock	8	-	8
Debtors due in less than one year	140	-	140
Cash in bank and in hand	1,615	-	1,615
Liabilities			
Creditors due in less than one year	(466)	-	(466)
Creditors due in more than one year	(32)	-	(32)
Pensions			
Pension scheme liabilities	(2,579)	-	(2,579)
Net assets/ (liabilities)	12,544	-	12,544

The total income and net expenditure comprise total income of £6,533k and net expenditure of £211k contributed by Hermitage Academy between the date of the transfer and the 31 August 2020.

29 PENSIONS AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019

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

**NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
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Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

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. 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to TPS in the period amounted to £3,835k (2019: £2,094k).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2020 was £1,126k of which employer's contributions totalled £986k and employee's contributions totalled £290k. The agreed contribution rates for future years vary between Pension fund from 15.8% to 25.2% for employers with annual additional contributions of £133k to fund the scheme deficit.

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

**NORTH EAST LEARNING TRUST
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Principal actuarial assumptions

Pension Fund	Durham		Northumberland		Tyne & Wear	
	2020	2019	2020	2019	2020	2019
Rate of increase in salaries	3.2%	3.5%	3.7%	3.6%	3.8%	3.6%
Pension increases	2.2%	2.0%	2.2%	2.1%	2.3%	2.1%
Discount rate	1.7%	1.9%	1.7%	1.9%	1.7%	1.8%
Inflation (CPI)	2.2%	2.0%	2.2%	2.1%	2.3%	2.1%

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

Pension Fund	Durham		Northumberland		Tyne & Wear	
	2020	2019	2020	2019	2020	2019
Retiring today:						
Males	22.2	22.3	21.8	21.9	21.8	21.9
Females	24.2	23.8	25.0	23.8	25.0	25.1
Retiring in 20 years:						
Males	23.2	24.0	23.5	23.6	23.5	23.6
Females	25.7	25.7	26.8	25.7	26.8	26.9

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

	Fair value at 31 August 2020 £'000	Fair Value at 31 August 2019 £'000
Equities	7,833	6,634
Property	1,194	739
Government bonds	2,729	2,631
Corporate bonds	2,645	1,228
Cash	623	403
Other	456	239
TOTAL MARKET VALUE OF ASSETS	15,480	11,874
 Present value of scheme liabilities	 (32,637)	 (22,338)

The actual return on scheme assets was £163k 2018: (£981k)

	2020 £000	2019 £000
Current service cost	(2,099)	(1,153)
Past service cost	(268)	(8)
Net interest cost	(235)	(182)
Total operating charge	(2,602)	(1,343)

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

	2020 £000	2019 £000
At 1 September	22,338	16,926
Transfers	5,232	-
Current service cost	2,099	1,153
Past service cost	268	8
Interest cost	522	476
Employee contributions	313	238
Actuarial (gain)/loss	2,218	3,659
Benefits paid	(353)	(122)
	<u>32,637</u>	<u>22,338</u>

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

	2020 £000	2019 £000
At 1 September	11,874	10,013
Transfers	2,653	-
Interest income	287	294
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	(450)	687
Employer contributions	1,156	764
Employee contributions	313	238
Benefits paid	(353)	(122)
At 31 August	<u>15,480</u>	<u>11,874</u>

NORTH EAST LEARNING TRUST
NOTES TO THE FINANCIAL STATEMENTS
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30 TEACHING SCHOOL TRADING ACCOUNT

	2020 £000	2020 £000	2019 £000	2019 £000
Income				
Direct income		1,031		1,060
Other income				
Other income				
Fundraising and other trading activities		10		26
Total income		1,041		1,086
Expenditure				
Direct costs				
Direct staff costs	438		423	
Staff development				
Other direct costs				
Total direct costs	438		423	
Other costs				
Support staff costs	44		41	
Trainee support costs	461		483	
Other support costs	94		76	
Share of governance costs				
Total other costs	599		600	
Total expenditure		1,037		1,023
Transfers between funds excluding depreciation				
Surplus/(Deficit) from all sources		4		63
Teaching school balances at 1 September 2019		191		128
Teaching school balances at 31 August 2020		195		191