

Areté Learning Trust
(A Company Limited by Guarantee)

Financial Statements
for the Year Ended 31 August 2023

"Registrar of Companies Copy"
Company No: 09471240

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Areté Learning Trust
(A Company Limited by Guarantee)

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for the Year Ended 31 August 2023

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Areté Learning Trust
(A Company Limited by Guarantee)
the Year Ended 31 August 2023

MEMBERS

Dr N Land	Chair
Mrs K Picking	
Mr P Bartlett	
Mrs C M Brooker	
Mr A Price	

TRUSTEES

Mr S Brennan	
Mrs C M Brooker	Chair of Trustees
Mr R Crane (CEO) (Resigned August 2023)	
Mr P Fazakerley	
Mr M Foster	
Ms J Hooton (Resigned August 2023)	
Ms J Linsley (Appointed January 2023)	
Mr D Sharp	
Mr J Sykes	

SENIOR MANAGEMENT TEAM

Mr R Crane (Resigned August 2023)	CEO
Mrs H L Millett (Until April 2023)	Headteacher (Stokesley School)
Mr M Fenwick (From April 2023)	Headteacher (Stokesley School)
Mrs J Potter	Headteacher (Richmond School)
Mrs V Rahn	Headteacher (Northallerton School)
Mrs R Bainbridge (From March 2023)	Headteacher (Mill Hill Primary School)
Mr J Tait (Resigned August 2023)	Director of School Improvement and Deputy
CEO	
Mr C Davidge	Chief Operating Officer/Chief Finance Officer
Mrs H Wiseman	Financial Controller

COMPANY NAME

Areté Learning Trust

PRINCIPAL AND REGISTERED OFFICE

Stokesley School
Station Road
Stokesley
North Yorkshire
TS9 5AL

COMPANY REGISTRATION NUMBER

09471240

BANKERS

Lloyds Bank
37 Westgate
Guisborough
TS12 6BD

INDEPENDENT AUDITOR

Anderson Barrowcliff LLP
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

SOLICITORS

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

Areté Learning Trust
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Trustees Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report and strategic report under company law.

The Trust currently operates four academies for students aged 2 to 18 in the Northallerton, Richmond and Stokesley areas. Mill Hill Primary School joined the trust on 1 March 2023.

	Pupil Admission Number	Number on roll
Northallerton School & Sixth Form College	225	1,039
Richmond School & Sixth Form College	250	1,316
Stokesley School & Sixth Form College	189	1,145
Mill Hill Primary School (joined March 2023)	30	185

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Areté Learning Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Arété Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Arété Learning Trust.

Details of the Trustees who served during the year, and to the date the accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Trustees and governors benefit from indemnity insurance to cover liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust or duty of which they may be guilty in relation to the Trust. The insurance provides cover up to £2,000,000 on any one claim. The Trust subscribes to the DfE's Risk Protection Arrangement (RPA) which is an alternative to commercial insurance for Academy Trusts. The RPA covers a broad spectrum of assets and risks, including trustee and governor liability at a cost of £21 per student which is deducted from the General Annual Grant (GAG). For 22/23 the cost of the RPA was £75,678. The Trust additionally invests in Directors' and Officers' Liability insurance.

Method of Recruitment and Appointment or Election of Trustees

Trustees may be appointed provided that such a Trustee is a person with sufficient local knowledge of the area within which the Trust is located to represent the interests of the local community or bring skills to the Board which will be of benefit to the Trust. When established, the Trust appointed Trustees whose range of skills were of particular benefit to a Trust board. The Trust has a written statement of principles for recruitment of future additional Trustees: Arété Learning Trust Recruitment/Appointment Principles July 2017. Trustees are appointed for a four-year term save for the CEO who is entitled to be a trustee for as long as he or she is in post. Trustees are eligible to be re-elected at the end of their term. There is no limit to the number of terms a trustee may serve.

The Trust has appointed local governing bodies (LGBs) for Northallerton, Richmond and Stokesley Schools, to which two parent governors can be elected respectively. Their primary responsibility is to provide support and challenge to the Headteacher in terms of securing high standards of achievement for all students and to ensure that all statutory responsibilities, particularly with regard to standards, Health & Safety, safeguarding and wellbeing are fulfilled. There are clear Terms of Reference for the LGBs, each of which is a committee of the Board.

Senior leaders in the schools are responsible for the day to day management, for acting upon strategic decisions taken by the Board and/or the LGB and ensuring that improvement priorities are identified, agreed and addressed.

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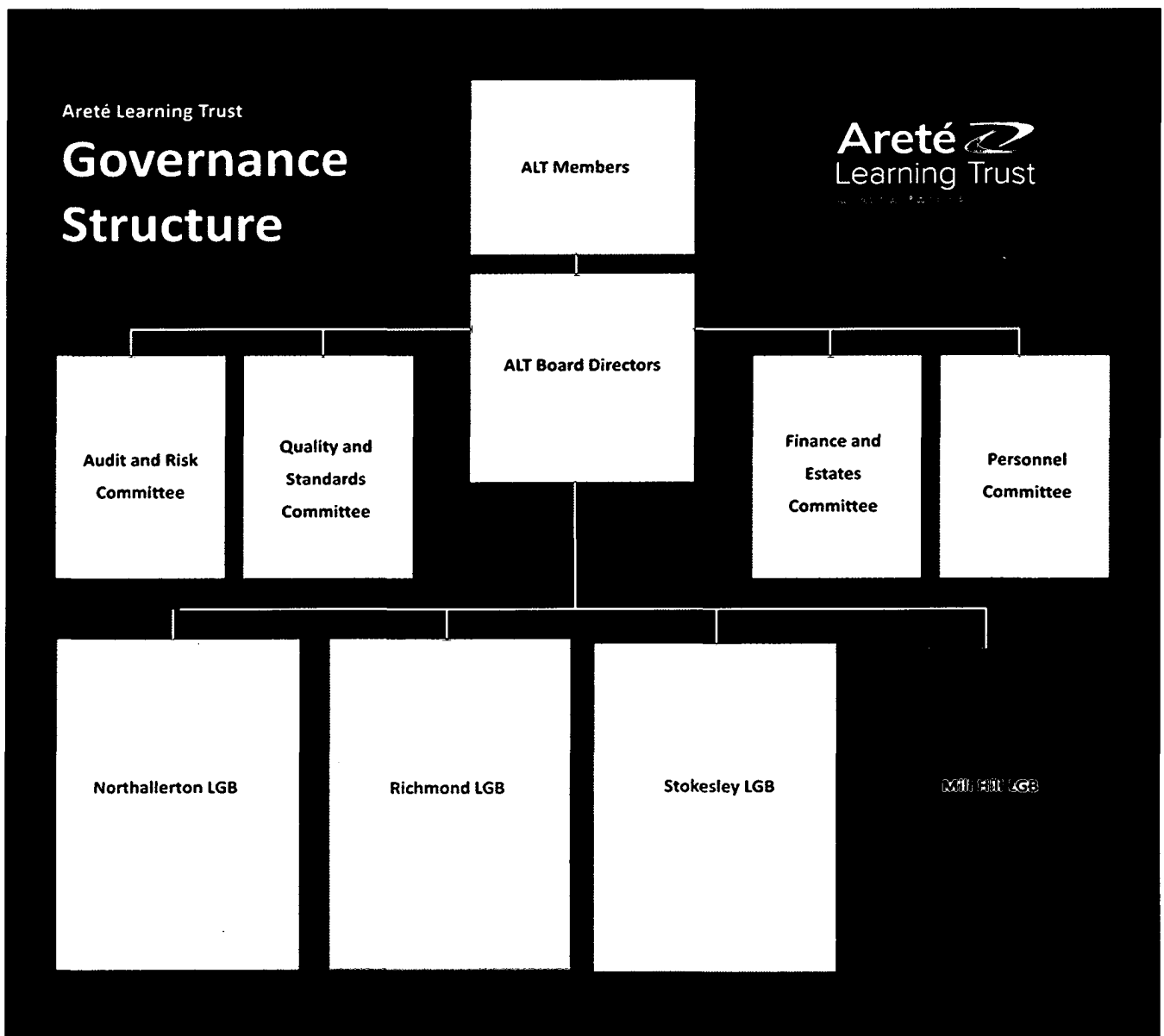
Trustees Report

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are provided with support and training following their appointment, through bespoke in-house training from established Trustees and central staff and as part of training commissioned from independent professionals, our solicitors. The skills of the current Trustees include private sector finance, higher, secondary and primary education, organisational development, leadership development, project management and company law. One new director was recruited to join the board for the year 2022-2023 who brings an extensive background in education.

The diverse skills of directors are employed in providing training for the whole Board as well as for LGBs and executive staff. New Trustees are asked to familiarise themselves with the Governance Handbook as part of their induction and the Competency Framework is used as part of the recruitment strategy. Both of these documents are referenced and reflected in the Trust's Governance Handbook. Trustees are also required to confirm that they have read documentation including Keeping Children Safe In Education, as well as regularly updating training in areas including Safeguarding and Cyber Safety

Trust Governance Structure



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Trustees Report

Management Structure

The levels of delegation to school leaders and LGBs are set out in the Scheme of Delegation and the more detailed appendices which outline the main responsibilities of school leaders, LGBs, the CEO, and Board committees.

2022/23

Senior Leaders Mill Hill Primary:	R Bainbridge (Headteacher) L Button (Assistant Headteacher)
Senior Leaders Northallerton:	V Rahn (Headteacher) A Wilkinson (Deputy Headteacher)
Senior Leaders Richmond:	J Potter (Headteacher), C Wardle (Deputy Headteacher)
Senior Leaders Stokesley:	H Millett (Headteacher) until April 2023 M Fenwick thereafter, J Darbyshire (Deputy Headteacher)

Arrangements for setting and remuneration of key management personnel

Apart from the CEO, all other Trustees are non-executive and receive no remuneration for their work as Trustees. The Trust pay policy recognises the current National School Teachers' Pay and Conditions Document. The policy is also subject to consultation with teachers' professional association representatives and support staff unions, on an annual basis. Central to the policy is the Trust's wish to recognise and reward good and outstanding performance by ALT staff. Pay awards are made in line with clearly stated criteria for progression in the context of the National Standards for teachers. Headteachers are paid in accordance with the School Teachers' Pay and Conditions Document, paragraphs 4 to 6. The schools' senior staff are also remunerated in line with the guidance therein. The salaries of the CEO and COO are benchmarked with comparable MATs and are reviewed in the context of appraisal objectives and performance reviews by the Board's Remuneration Committee and subject to Board approval.

Trade Union Facility Time

The trust has a Facility Time Agreement with the unions, in accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017.

Number of employees who were relevant union officials during the relevant period – 5 fte

Percentage of time spent on facility time - 0%

Related parties and other connected charities and organisations

The Trust received no additional funding from sponsors during 2022/23. Richmond School received £69,109 as a charitable donation from the charity "Richmond School Trustees" to support the education of disadvantaged children.

Areté Learning Services Ltd (Reg No 12169430) is a company in which Mrs Catherine Brooker is a Director. The company is currently dormant.

Engagement with employees

The Trust takes seriously the responsibility for equal opportunities with regard to both applicants and current employees. This is reflected in policies and in practice and is kept under review. This is exemplified in the Accessibility policies (academy specific), the Equality and Diversity policy (trust-wide) and the Equal Opportunities policy (trust-wide.)

Our recruitment processes include measures to guard against any discrimination factors, including all protected characteristics. Reasonable adjustments are made to enable employees to be able to undertake work in the academies - for example by timetable planning which accommodates ground floor only requirements, lighting adjustments etc. We also seek specialist advice when required. Training and development opportunities are open to all employees.

Engagement with employees includes a formal agreement to facilitate consultation with staff: a recognition agreement is in place and a Joint Consultation Committee meets regularly. During the course of the year, equalities, recruitment, pay and wellbeing policies and statements have been reviewed with staff members' regional representatives. All policies developed and/or reviewed during the year take account of protected characteristics under the Equalities Act. The headteachers have also consulted staff on a number of policy development issues, including staff wellbeing, workload, uniform change, behaviour policies, cost reduction exercises. The Executive Leadership Team meets regularly and the academy heads report to their staff strategic decisions made and seek their views on significant policy development.

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Trustees Report

Engagement with Suppliers, Customers and Others

The Trust recognises the importance of fostering long term mutually beneficial trading relationships with a portfolio of local, regional and national suppliers. All procurement is undertaken with regard to The Academies Financial Handbook. We acknowledge the lowest price may not always represent the best long term value for money and recognise the need to peer review procurement activity across all the Trust sites. To support our suppliers, payment terms are respected and payments are made to those terms.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Areté Learning Trust was set up on 1 April 2015, its principal aim being encompassed in its vision of -
"being the best we can be" by -

"uniting schools, communities and families to secure success for all young people"

"Being the Best We Can Be" (extract from our Scheme of Delegation)

Every academy within the Trust will have its own unique values and ethos but must be committed to the overarching principle of "being the best we can be", the mission statement of the Arété Learning Trust (ALT), which will underpin the work of all Trust academies. This is rooted in the shared belief that every child, whatever his or her circumstances and starting point, has unique skills and qualities and given the support, encouragement, opportunity and challenge to achieve, can do so. It is the commitment of the company to create a context for all children and young people to thrive, academically, personally and socially, so that they experience the real joy of learning.

We are committed to -

- seamless cross-phase learning to maximise students' progress and success
- securing quality of service by growing in a measured way, in terms of area and resource
- securing cost-effectiveness in all business activity, to enhance provision
- serving inclusively the local community of ALT academies
- accepting, as a sponsor, the broader moral responsibility for improving schools in need of support
- the principle of partnership between primary and secondary schools
- sustainable and measured growth as a Trust
- the aspiration of "being the best we can be" for all children and young people in ALT academies

Our purpose as a MAT is:

- to enable schools to work together, share expertise and maximise efficiency and effectiveness across the MAT
- to secure rapid and sustained improvement for any schools sponsored by the Trust
- to enable all children and young people in ALT Academies to leave our schools having achieved well, strengthened by the values and aspirations of the ALT and being well prepared to face the next challenge in their learning, personal and social development.

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Trustees Report

Areté Learning Trust Board

Strategic Priorities: September 2022 - 2025

Growth
<ul style="list-style-type: none"> Measured growth in order to raise standards and address underperformance through a network of primary, secondary and special schools that thrive through collaboration and interaction. Securing access to School Condition Allocation Fund
Student support - to reduce and overcome the challenges that make learning extremely difficult for some
<ul style="list-style-type: none"> Investment in effective systems to ensure that the support, training, partnerships and resources are in place to further develop and embed a truly inclusive culture, trust-wide Investment in developing our own alternative provision for "at risk" students/children Funding a sustained scheme for supporting the learning and wellbeing of disadvantaged students/children
Resources and Estates
<ul style="list-style-type: none"> Strategic shift to centrally administered funding, removing top slice, heads submitting plans for approval, with autonomy for recommendations about their own schools Using a trust-wide rolling 5 year estates plan, secure improvement, providing a transparent rationale for spending decisions Sustain >2 million reserves, using central funding above this to support clearly identified and agreed strategic priorities
Standards
<ul style="list-style-type: none"> Post Ofsted support for our four current schools to build on their success, enhancing collaborative working, driven by the heads as well as Exec. Leads Strengthening the role and support of trust central services for our schools and ensuring the investment in the trust's Central Team is having the necessary impact Targeted funding for evidence-led improvement strategies
Investment in our staff
<ul style="list-style-type: none"> Develop a trust-wide succession planning strategy Provide our heads with trust-wide leadership roles (e.g. leading on raising the bar on what we offer as "Employer of Choice" / integration of new schools) Put in place a framework for leadership development, including opportunities to work in other schools across the trust, and exchanges, for staff at all levels of their career development Invest in a central supply service
Environmental Sustainability
<ul style="list-style-type: none"> Make environmental sustainability central to the culture, curriculum and character of our schools.
Our communities
<ul style="list-style-type: none"> Ensure that parental engagement informs both policy and practice in our schools Increase the profile of our schools in terms of community engagement and communication Ensure our schools are "the school of choice" for local families and those from surrounding areas

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 governors 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 presence and links.

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Trustees Report

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Inspection Outcomes:

Following the three secondary schools' inspections in the previous academic year, all of which produced "Good" judgements, and the Trust-wide summative inspection in July 2022, the Trust Board has focused on ensuring that further progress is made in all our secondary schools.

In January 2023 our primary school - Mill Hill - was also inspected and judged to be "Good". With a similar focus on building on the strengths identified and addressing areas for further improvement, the Trust Board continues in its focus on supporting all academies and investing in evidence-led improvement strategies.

Academic Outcomes for 2023:

2023 Performance Measures Key Figures:

Key Stage 4

(KS4 data as of 19 October 2023 - including outcomes of results appeals received by that date).

KS4 Outcomes	Northallerton	Richmond	Stokesley
Overall Progress 8 score <i>DFE description</i>	-0.38 <i>below average</i>	+0.22 <i>above average</i>	+0.15 <i>average</i>
Eng P8 score	-0.39	-0.03	-0.02
Maths P8 score	-0.05	+0.60	+0.06
EBacc score	-0.35	+0.24	+0.47
Open score	-0.70	+0.11	-0.01

Key Stage 5

(KS5 data as per August results awaiting outcomes of appeals)

NB The DfE has cancelled the publication of any progress measures for A Level performance tables for 2023 due to prior attainment being based on TAGs.

KS5 A level Outcomes	Northallerton	Richmond	Stokesley
AAB+ in 2 or more facilitating subjects	3%	14%	21%
A*-A grades	4%	22%	24%
A*-C grades	49%	77%	70%
A*-E grades	98%	100%	98%
Average Points per entry	26.3	34.6	33.3
Average Grade	C -	C +	C +

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KS5 Vocational Outcomes	Northallerton	Richmond	Stokesley
Average Points per entry	28.8	37.3	28.3
Average Grade	Merit +	Dist +	Merit +
% of students entered for 1+ voc subject	52%	31%	7%

The KS4 academic results at Richmond and Stokesley were very positive. Richmond maintained its national 'above average' performance which included an especially high all round performance in Maths and the separate Sciences. Stokesley achieved its best Progress 8 score for 9 years which included a strong performance in the EBacc subjects. Both sets of results were however slightly below initial expectations

Key Stage 2

2023	Mill Hill	National
Average Score in Reading	105.5	105
Average Score in Maths	107.3	104
Average Score in GPS	103	105
Progress in Reading	-3.4	0.0
Progress in Writing	2.2	0.0
Progress in Maths	-1.1	0.0

Meeting Expected Standard	Mill Hill	National	Meeting Higher Standard	Mill Hill	National
Reading	63%	73%	Reading	7%	28%
Writing	67%	71%	Writing	3%	13%
Maths	70%	73%	Maths	20%	22%

NB Out of 30 KS2 students 20 were disadvantaged and 15 were SEND. The number of disapplications was very high.

Key Stage 1

Phonics Screening	Mill Hill	National
Meeting Expected Standard	66%	81%

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Trustees Report

Educational Estates Management

Major estates projects were completed over the year including:

- Northallerton - Classroom refurbishment, solar PV scheme installation.
- Richmond - LED lighting scheme, toilets refurbishment.
- Stokesley - 3G pitch resurfacing and fence replacement, solar PV scheme installation.

All areas were ready for the return of students at the start of term and all works are on budget.

Future plans are focused around the strategic priority of sustainability and reducing our carbon footprint. Further assessments and proposals for additional solar PV schemes are being carried out. Where required, it is aimed to ensure LED lighting is installed. Reports from condition surveys for all of our schools will allow strategic planning of estate improvement, in line with changing requirements and curriculum needs.

Going Concern

Notwithstanding the increasing costs to the Trust, the Board of Trustees has a well-informed expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trustees keep accounts under constant review. Whilst uncertainties clearly exist, the Trustees have considerable confidence in the Trust's financial security, having ensured that the Trust holds adequate reserves to secure its financial stability. Thus the Trust continues to adopt the "going concern" basis of accounting in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the Success of the Company

Much work has been undertaken to promote the success of the schools individually and the Trust as a whole. Further work on ensuring that staff, parents and the communities we serve are better informed about and engage with the work of the central staff and understand the role of the Trust Board and our LGBs.

FINANCIAL REVIEW

The Trust ended the year with a surplus on unrestricted funds of £203,000 (2022: £72,000) and the unspent GAG was £251,000. The surplus (after non-operational adjustments) was £3,424,000 (2022: £5,452,000). This includes an actuarial gain of £1,161,000 (2022: £6,921,000) on the LGPS. Total incoming resources amounted to £24,416,000 (excluding inherited assets) and total outgoing resources amounted to £24,988,000. The majority of income received was the GAG, which amounted to £19,960,000. Expenditure on charitable activities is detailed in note 7.

The Trust's free reserves (total funds less the amount held in fixed asset and restricted funds, with the exception of the general restricted fund) at the end of the year are £1,949,000 (2022: £1,726,000).

Despite carrying a £1,548,000 pension deficit, the Trust's balance sheet remains strong with net current assets of £1,851,000 and total net assets of £50,101,000. As explained in note 25 the pension fund deficit is not a liability which crystallises immediately and does not affect the resources the Trust has to spend on its charitable activities.

Reserves Policy

The ESFA are able to set limits on the sum of GAG that can be carried forward from one year to the next. There are currently no limits in place. In the light of DfE expectation that Academy Trusts use their allocated funding for the full benefit of their current students, the Trust does not pursue a policy of building up a substantial surplus without having in place a clear plan for how it will be used to benefit its students and ALT's long-term development, as required.

The remaining funds in excess of working capital required for day to day operations are held in an investment portfolio (non-bank product) in order to achieve a modest return at very low risk, whilst making funds available within 3 days should they be required.

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The Trust maintained a reserves policy which equates to one month's worth of expenditure in terms of gross salary costs. Funds are needed in order to retain & develop the infrastructure of the schools.

Free reserves at the year-end stand at £1,949,000, which is made up of unrestricted funds of £1,698,000 and unspent GAG of £251,000.

The pension deficit has decreased to £1,548,000, details of which are set out in note 25 in the accounts.

Investment Policy

Summary of Current Treasury Management Policy

Where surplus funds exist, the Board gives consideration to the best use of those funds including:

- available funds to support the day to day business activities
- long term investments to support long term plans and future growth
- infrastructure investment

A register of investments is maintained and reviewed by the Board on a regular basis.

Principal Risks and Uncertainties

Trustees regularly review the risk register and pay particular attention to the top-line risks, which during the year 2022-23 pertained to ensuring that financial sustainability was not compromised, in the light of national and international financial issues. The Trust also regularly reviews its academic provision alongside its budgets and forecasts to ensure that it provides the best possible provision to meet the needs of all students and children whilst being cost-effective.

There is a rolling programme for replenishment of existing assets when they reach the end of their useful lives. To achieve the ambitious objective of continuing to improve the fabric of ageing buildings and for other major capital projects, the Trust remains dependent on continued success in securing grants from the DfE (particularly CIF) and developing partnership working with community and other interest groups. Otherwise, annual capital funding and careful budget setting together with a proactive approach mitigates the risk involved in estates management and ensures the safety of each site.

Fundraising

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

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Trustees Report

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2022 to 31 August 2023

	2022/2023	2021/2022
	£	£
Energy consumption used to calculate emissions (kWh)	3,881,719	4,925,173
Energy consumption breakdown (kWh)		
Gas	2,510,962	3,202,689
Electricity	1,342,390	1,709,106
Transport Fuel	28,367	13,378
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	458.40	584.62
Owned transport - mini-buses	0.83	1.36
Total Scope 1	459.23	585.98
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	277.97	330.51
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	5.82	2.39
Total gross emissions in metric tonnes CO2e	743.03	918.88
Intensity ratio Tonnes CO2e per student	0.22	0.26

Streamlined Energy and Carbon Reporting – continued

Quantification and Reporting Methodology

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

Intensity Measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per student, the recommended ratio for the sector.

Measurements Taken to Improve Energy Efficiency

We have begun a programme of retrofitting LED lighting into our schools and installation of solar panels, utilising reserves funding where possible to accelerate this.

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Trustees Report

Plans for Future Periods

The Trust's core purpose is to deliver its strategic vision of providing exceptional opportunities for personal and academic success for all students and children. It will continue its efforts to ensure they gain an education which inspires them, whatever their starting point, in preparation for the next stage in their education (for our children in KS1 & 2) whilst for our older students, equipping them to access further or higher education, or purposeful training and/or employment.

Our focus remains measured expansion which focuses primarily on the needs of the communities of our four existing schools in the Trust. However, we recognise the strategic need at national level to ensure trusts are all financially viable in the long term as well as the operational, educational and collaborative benefits of strategic growth in a broader sense, reflected in a reviewed and agreed growth strategy.

Funds Held as Custodian Trustee on Behalf of Others

As stated in note 26 the academy distributes 16-19 bursary funds on behalf of the ESFA.

Auditor

Insofar as the Trustees are aware:

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

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

 VILG CHAIN
Mrs Catherine Brooker
Chair of Board of Trustees

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Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Arété 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 Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Arété Learning Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met six times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Attendance 2022-2023

Board of Trustees

S Brennan
C M Brooker
R Crane
M Foster
J Hooton
D Sharp
J Linsley (Appointed Jan 2023)
P Fazakerley
Mr J Sykes

Meetings attended	of a possible
6	6
6	6
4	6
6	6
4	6
6	6
3	4
6	6
5	6

The Board of Trustees considered key strategic issues including:

- approval of the annual accounts
- approval of the 2023-2024 budget
- key priorities in Trust schools and progress towards achieving them
- the performance of Trust schools
- review of policies
- trust expansion

A range of key performance data (financial and academic) is monitored and analysed by the Board and its various committees through the provision of data supplied for meetings throughout the year, with data being challenged where necessary. There has been additional scrutiny of performance data by local governing bodies (LGB) with oversight and review from the Board. Each LGB has a link trustee who represents the Board at meetings providing support and challenge.

Our central functions that support academies within the Trust include specialist HR, Finance, Governance, Estates and ICT.

Trustees continued to review the membership and constitution of the Board, committees and LGB's, strengthening where possible to ensure governance was fit for purpose in securing school improvement.

Governance functions across the structure are set out in a Scheme of Delegation which is available on the Trust website and which is reviewed at least annually.

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Governance Statement

The committee structure is used to improve decisions in key areas and for maintaining robust compliance around financial and Trust management. The Board keeps under review the effectiveness of committees and how they interact with the main Board of Trustees.

Areté Learning Trust are conscious of the need for any person responsible for governance within the organisation, or, who are employees of the organisation, to declare any relevant business or pecuniary interests and this is particularly the case with related party relationships. Records are held of declarations from relevant individuals.

Audit and Risk Committee is a sub-committee of the main Trust Board. The role of the Audit and Risk Committee is to maintain oversight of Arété Learning Trust's financial management and control, governance, risk management, internal control and value for money framework. It reports its findings to the Trust Board and CEO/Accounting Officer as a critical element of ALT's annual reporting requirements.

Attendance 2022-2023

Audit and Risk Committee

S Brennan
C M Brooker
R Crane
M Foster
D Sharp

Meetings attended	of a possible
3	4
3	4
2	4
4	4
3	4

The Audit Committee considered key strategic issues including:

- risk management
- effective reporting to enable the Board to fulfil its responsibilities
- compliance with ESFA regulations and guidance
- robust financial stewardship

Quality and Standards Committee (Q & S) is a sub-committee of the main Trust Board. The role of the Q&S Committee is to maintain an oversight of educational provision across the Trust's academies and the management and governance processes in place, to monitor and evaluate impact. The committee has delegated powers of decisions associated with certain areas of provision. The committee works closely with the CEO on significant educational policy development and educational issues and has delegated powers for certain key issues. The committee reports to the ALT Board and, where necessary, will make recommendations to the Board where decision-making is at Board level.

Attendance 2022-2023

Quality & Standards Committee

R Crane
J Hooton
P Fazakerley
J Linsley
J Sykes
D Sharp

Meetings attended	of a possible
4	4
3	4
4	4
2	2
4	4
3	4

The Q&S Committee considered key strategic issues including:

- progress and performance of all students
- focus on the progress and performance of disadvantaged and SEND students
- improving effectiveness of governance in holding school leaders to account
- sustaining learning and wellbeing

Areté Learning Trust
(A Company Limited by Guarantee)

Governance Statement

The Personnel Committee is a sub-committee of the main Trust Board. The committee works closely with the CEO on significant personnel issues and has delegated powers for certain key staff-related decisions. The committee reports to the ALT Board and, where necessary, will make recommendations to the Board where decision making is at the Board level.

Attendance 2022-2023

Committee

R Crane
J Hooton
P Fazakerley
J Linsley
J Sykes
D Sharp

Meetings attended	of a possible
4	4
3	4
4	4
2	2
4	4
3	4

The Personnel Committee considered key strategic issues including:

- Reviewed Pay Decision Data to ensure consistency across the Trust
- Determined the strategy for performance management
- Provided an oversight of the Trusts HR Policies

Finance and Estates Committee (FE) is a sub-committee of the main Trust Board. The role of the FE Committee is to maintain oversight of ALT's finances and the management processes in place, to monitor and control these finances across ALT. The committee has delegated powers for decisions associated with certain levels of financial commitments. The committee also ensures that estates and IT management across ALT adopts a consistent strategy and the committee prepares the overall ALT capital investment programme.

Attendance 2022-2023

FE Committee

S Brennan
C M Brooker
R Crane
M Foster
D Sharp

Meetings attended	of a possible
3	4
3	4
2	4
4	4
3	4

The FE Committee considered key strategic issues including:

- Estates refurbishment and building projects
- Budget planning and monitoring
- IT investment and transition to the trust network
- Long term financial planning

Review of Value for Money

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

Areté Learning Trust
(A Company Limited by Guarantee)

Governance Statement

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, or by using a framework where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- putting in place staffing changes and rationalisation of resources across the Trust
- reviewing and assessing service providers, licences and subscriptions as part of the Trust's routine financial procedures
- implementation of buildings improvements to reduce maintenance and energy costs, the benefits of which will be increasingly evident over the coming years
- keeping under close scrutiny and review the curriculum offer, pre and post 16, which has been adjusted to maximise cost-effectiveness, whilst accommodating changing assessment and curriculum frameworks
- utilising the opportunity to improve the estate through grant applications, which resulted in significant improvements to our schools' buildings.
- development of the in-house data analysis dashboard, giving real time, accessible metrics and data to staff across the trust.
- development of IT services to enable Stokesley School to join the central trust network from September 2023.
- financial regulations and procedures have been reviewed and amended to ensure clarity and consistency leading to improved financial safeguarding and efficiency.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process of regular reviews, designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Arété Learning Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports which are reviewed by the FE Committee and agreed by the Board of Trustees
- regular reviews by the FE 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

Areté Learning Trust
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Governance Statement

The Board of Trustees has considered the need for a specific internal audit function and appointed Veritau as internal auditor. The internal assurance annual programme consisted of remote visits and accompanying reports.

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

- Complaints - A review of complaints policies and procedures
- Income - Assessment and review of income transactions and recording
- Payroll - A review of monthly payroll transactions, processing and reconciliation

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

The schedule of work has been delivered to the satisfaction of the Board. There have been no high level issues identified and the recommendations of both internal and external auditors are in hand with a plan to address outstanding issues.

Review of Effectiveness


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

- the work of the internal and external auditors
- a comprehensive programme of internal scrutiny carried out across the year
- the advice and guidance of the COO/CFO & the Chair of the Audit Committee
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the advice and guidance of the Chair of the Finance and Estates Committee
- the work of the Financial Controller
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

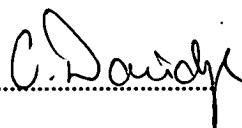
Approved by order of the members of the Board of Trustees on 14 December 2023 signed on its behalf by:

Signed:


VIG CLARK

Mrs Catherine Brooker
Chair of Board of Trustees

Signed:



Mr C Davidge
Accounting Officer

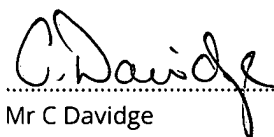
Areté Learning Trust
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Statement of Regularity, Propriety and Compliance

As accounting officer of Arété Learning Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

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

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


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Mr C Davidge
Accounting Officer

Areté Learning Trust
(A Company Limited by Guarantee)

Statement of Trustees' Responsibilities

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

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

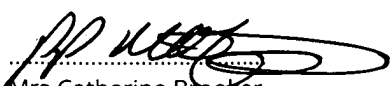
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019, and the Academies Accounts Direction 2022 to 2023
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have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

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

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

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

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

 VILG CHAIR
Mrs Catherine Brooker
Chair of Board of Trustees

Areté Learning Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Arété Learning Trust

Opinion

We have audited the financial statements of Arété Learning Trust (the 'Academy Trust') for the year ended 31 August 2023 which comprise 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Areté Learning Trust
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Independent Auditor's Report on the Financial Statements to the Members of Arété Learning Trust

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Trustees' responsibilities statement the Trustees set out on page 19 (who 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.

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

Areté Learning Trust
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Independent Auditor's Report on the Financial Statements to the Members of Arété Learning Trust

Based on our understanding of the Charity we have considered applicable laws and regulations which may be fundamental to the Charity's ability to operate or to avoid a material penalty, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate manual journal entries to manipulate financial performance, management bias in significant accounting estimates and any significant one-off or unusual transactions.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing internal audit reports.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Challenging estimates and judgements made by management in their significant accounting estimates.
- Revenue recognition; agreeing a sample of revenue transactions to third party documentation to gain assurance over the occurrence and accuracy of revenue and also to ensure revenue has been recognised in the correct period.

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

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

Use of our report

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

Anderson Barrowcliff LLP

Mrs Jane Bennett
Senior Statutory Auditor
For and on behalf of Anderson Barrowcliff LLP
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees TS18 3EX

Dated: 18/12/23.....

Areté Learning Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to
Areté Learning Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 November 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Arété Learning Trust during the year ended 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Arété Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Arété Learning Trust funding agreement with the Secretary of State for Education dated 20 March 2015 and the Academies Financial Handbook extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non compliance;
- Ensuring that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and key management personnel.

Areté Learning Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to
Areté Learning Trust and the Education & Skills Funding Agency

Conclusion

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

Anderson Barrowcliff LLP

Mrs Jane Bennett
Reporting Accountant
Anderson Barrowcliff LLP
Statutory Auditor
Chartered Accountants
3 Kingfisher Court
Bowesfield Park
Stockton on Tees
TS18 3EX

Dated: *12/12/23*.....

Areté Learning Trust
(A Company Limited by Guarantee)

Statement of Financial Activities
for the Year Ended 31 August 2023

(Including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	2023	2022
	Note	Funds	General	Fixed	Total	Total
		£'000	Funds	Asset	£'000	£,000
			£'000	Funds		
				£'000		
INCOME & ENDOWMENTS FROM:						
Donations and capital grants	3	191	-	287	478	447
Transfer from local authority on conversion	2	250	-	2,585	2,835	-
Charitable Activities						
Funding for the academy trust's educational operations	4	1,361	22,039	-	23,400	20,838
Other trading activities	5	538	-	-	538	530
Investment income	6	-	-	-	-	-
TOTAL		2,340	22,039	2,872	27,251	21,815
EXPENDITURE ON:						
Charitable Activities:						
Academy trust educational operations	7	2,137	21,686	1,165	24,988	23,284
TOTAL		2,137	21,686	1,165	24,988	23,284
Net income/(expenditure)		203	351	1,707	2,263	(1,469)
Transfers between funds	17	-	(506)	506	-	-
Other recognised losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	1,161	-	1,161	6,921
Net movement in funds		203	1,006	2,213	3,424	5,452
RECONCILIATION OF FUNDS						
Total funds brought forward		1,495	(2,147)	47,329	46,677	41,225
Total funds carried forward	17	1,698	(1,139)	49,542	50,101	46,677

The notes on pages 28 to 49 form part of these financial statements.

Areté Learning Trust
(A Company Limited by Guarantee)

Balance Sheet
As at 31 August 2023

		<u>2023</u>		<u>2022</u>	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS:					
Tangible assets	12		49,642		47,428
Investments	13		410		410
CURRENT ASSETS:					
Investments	13	500			
Debtors	14	651		1,153	
Cash at bank and in hand		2,482		2,521	
		<u>3,633</u>		<u>3,674</u>	
LIABILITIES:					
Creditors: Amounts falling due within one year	15	(1,782)		(2,009)	
NET CURRENT ASSETS			<u>1,851</u>		<u>1,665</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>51,903</u>		<u>49,503</u>
CREDITORS: Amounts falling due after more than one year					
	16		(254)		(290)
NET ASSETS EXCLUDING PENSION LIABILITY			<u>51,649</u>		<u>49,213</u>
Defined benefit pension scheme liability	25		(1,548)		(2,536)
TOTAL NET ASSETS			<u><u>50,101</u></u>		<u><u>46,677</u></u>
FUNDS OF THE ACADEMY TRUST:					
Restricted funds					
Fixed asset funds	17		49,542		47,329
Restricted income fund	17		349		389
Pension reserve	17		(1,548)		(2,536)
Total restricted funds			<u>48,343</u>		<u>45,182</u>
Unrestricted income fund	17		<u>1,698</u>		<u>1,495</u>
TOTAL FUNDS			<u><u>50,101</u></u>		<u><u>46,677</u></u>

The financial statements on pages 28 to 49 were approved by the Trustees, and authorised for issue on 18/12/23 and are signed on their behalf by:


Mark Foster
Trustee

Areté Learning Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
for the Year Ended 31 August 2023

	Note	<u>2023</u> £'000	<u>2022</u> £'000
Cash flows from operating activities			
Net cash provided by operating activities	21	1,004	339
Cash flows from financing activities	21	(39)	247
Cash flows from investing activities	21	(1,003)	(1,502)
Change in cash and cash equivalents in the reporting period		(38)	(916)
Cash and cash equivalents at 1 September 2022		<u>2,521</u>	<u>3,437</u>
Cash and cash equivalents at 31 August 2023	22	<u><u>2,483</u></u>	<u><u>2,521</u></u>

Areté Learning Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31 August 2023

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 and basis of preparation

Areté Learning Trust is a private company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details on page 1 of these financial statements. The nature of the Academy Trusts' operations and principal activities are set out in the Trustees' Report on page 2.

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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going Concern

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

Incoming Resources

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

Grants

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

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

Capital grants are recognised in full where 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 an entitlement and are not deferred over the life of the asset on which they are expended.

Areté Learning Trust
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Notes to the Financial Statements
for the Year Ended 31 August 2023

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Donations

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

Other income

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

Transfer on conversion

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

Expenditure

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

- **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities. All resources expended are exclusive of recoverable VAT.

Termination payments

Termination payments are recognised in the statement of financial activities when agreements are signed and offset against the fund to which they relate.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

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Notes to the Financial Statements
for the Year Ended 31 August 2023

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Tangible fixed assets

Assets costing £1,000 or more for building works or £500 or more for other assets are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold buildings	2% on cost
Leasehold land	Over 125 years
Computer hardware	33% on cost
Furniture and equipment	14% on cost

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Leasehold fixed assets

Long leasehold land and buildings are leased from the local authority on a 125 year lease. The leasehold property has been included in the accounts at Depreciated Replacement Cost as initially provided by the ESFA or the Local Authority. Improvements to buildings are included in the accounts at cost.

Investments

Investments are included in the balance sheet at fair value and unrealised gains and losses are reflected in the unrestricted fund.

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

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Notes to the Financial Statements
for the Year Ended 31 August 2023

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Provisions

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

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

Leased Assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Concessionary loans - concessionary loans are initially recognised at the transaction price including transaction costs.

Taxation

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

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

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Notes to the Financial Statements
for the Year Ended 31 August 2023

1 STATEMENT OF ACCOUNTING POLICIES (continued)

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

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

Fund transfers only occur to reflect the cost fixed asset being purchased from GAG and being transferred to the restricted fixed asset fund.

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 circumstances.

Areté Learning Trust
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Notes to the Financial Statements
for the Year Ended 31 August 2023

1 STATEMENT OF ACCOUNTING POLICIES (continued)

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 25, 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 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Land and buildings inherited on conversion to an academy are included in the financial statements at depreciated replacement cost. This is initially an estimate based on the value written out of the North Yorkshire County Council accounts on conversion.

2 ASSETS INHERITED ON CONVERSION FOR THE YEAR ENDED 31 AUGUST 2023

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Fixed Asset</u> <u>Funds</u>	<u>Total</u> <u>2023</u>	<u>Total</u> <u>2022</u>
	£'000	£'000	£'000	£'000
Transfer from local authority on conversion	250	2,585	2,835	-
	<u>250</u>	<u>2,585</u>	<u>2,835</u>	<u>-</u>

3 DONATIONS AND CAPITAL GRANTS

	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Total</u> <u>2023</u>	<u>Total</u> <u>2022</u>
	£'000	£'000	£'000	£'000
Capital grants	-	287	287	277
Other donations	191	-	191	170
	<u>191</u>	<u>287</u>	<u>478</u>	<u>447</u>

In the previous year £170,000 related to unrestricted funds and £277,000 related to restricted funds.

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Notes to the Financial Statements
for the Year Ended 31 August 2023

4 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	<u>Unrestricted</u> <u>Funds</u> £'000	<u>Restricted</u> <u>Funds</u> £'000	<u>Total</u> <u>2023</u> £'000	<u>Total</u> <u>2022</u> £'000
DfE/ESFA grants				
General Annual Grant (GAG)	-	19,960	19,960	18,658
Start-up Grant	-	-	-	13
Other DfE group grants	809	620	1,429	705
FSM supplementary grant	-	-	-	-
Pupil Premium	-	724	724	539
Universal infant free school meals	-	14	14	-
	<u>809</u>	<u>21,318</u>	<u>22,127</u>	<u>19,915</u>
Other government grants				
Local Authority grants	-	436	436	343
SSCO Partnership	-	-	-	36
Covid-19 grants additional funding (DfE/ESFA)				
Catch-up premium	-	-	-	-
Other DfE/ESFA COVID-19 funding	-	-	-	-
	<u>-</u>	<u>436</u>	<u>436</u>	<u>379</u>
Other income for the academy trust's educational operations				
School trip income	-	285	285	97
Catering income	548	-	548	447
Other income	4	-	4	-
	<u>552</u>	<u>285</u>	<u>837</u>	<u>544</u>
	<u>1,361</u>	<u>22,039</u>	<u>23,400</u>	<u>20,838</u>

In the previous year £447,000 related to unrestricted funds and £20,391,000 related to restricted funds.

5 OTHER TRADING ACTIVITIES

	<u>Unrestricted</u> <u>Funds</u> £'000	<u>Total</u> <u>2023</u> £'000	<u>Total</u> <u>2022</u> £'000
Sale of educational goods	343	343	26
Letting income	117	117	106
Music services income	76	76	75
Recharges	-	-	145
Other	2	2	178
	<u>538</u>	<u>538</u>	<u>530</u>

In the previous year £530,000 related to unrestricted funds.

Areté Learning Trust
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Notes to the Financial Statements
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6 INVESTMENT INCOME

	<u>Unrestricted</u> <u>Funds</u> £'000	<u>Restricted</u> <u>Funds</u> £'000	<u>Total</u> <u>2023</u> £'000	<u>Total</u> <u>2022</u> £'000
Short term deposits	-	-	-	-
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

7 EXPENDITURE

	<u>Staff Costs</u> £'000	<u>Non Pay Expenditure</u> <u>Premises</u> £'000	<u>Other</u> £'000	<u>Total</u> <u>2023</u> £'000	<u>Total</u> <u>2022</u> £'000
Academy's educational operations					
- Direct costs	13,342	-	1,385	14,727	13,290
- Allocated support costs	5,366	1,726	3,169	10,261	9,994
	<u>18,708</u>	<u>1,726</u>	<u>4,556</u>	<u>24,988</u>	<u>23,284</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

In the previous year £1,075,000 related to unrestricted funds, £21,178,000 related to restricted general funds and £1,031,000 related to the restricted fixed asset fund.

	<u>Total</u> <u>2023</u> £'000	<u>Total</u> <u>2022</u> £'000
Net income/(expenditure) for the year includes:		
Operating leases rentals	183	122
Depreciation	1,165	1,031
Fees payable to auditor - audit	20	14
- other services	2	2
	<u>=====</u>	<u>=====</u>

8 CHARITABLE ACTIVITIES

	<u>Total</u> <u>2023</u> £'000	<u>Total</u> <u>2022</u> £'000
Direct costs - educational operations	14,727	13,290
Support costs - educational operations	10,261	9,994
	<u>24,988</u>	<u>23,284</u>
	<u>=====</u>	<u>=====</u>
Analysis of support costs		
Support staff costs	5,366	5,721
Depreciation	1,164	1,031
Technology costs	490	328
Premises costs	1,726	1,777
Legal costs - conversion	9	-
- other	464	192
Other support costs	1,014	930
Governance costs	28	15
	<u>10,261</u>	<u>9,994</u>
	<u>=====</u>	<u>=====</u>

Areté Learning Trust
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Notes to the Financial Statements
for the Year Ended 31 August 2023

9 STAFF

	<u>2023</u>	<u>2022</u>
	£'000	£'000
(a) Staff costs		
Staff costs during the year were:		
Wages and salaries	13,615	12,321
Social security costs	1,343	1,305
Pension costs	3,208	3,848
	<u>18,166</u>	<u>17,474</u>
Agency staff costs	417	338
Staff restructuring costs	125	7
	<u>18,708</u>	<u>17,819</u>
	<u><u>18,708</u></u>	<u><u>17,819</u></u>
Staff restructuring costs comprise:		
Redundancy payments	14	-
Severance payments	43	7
Pay in lieu of notice	68	-
	<u>125</u>	<u>7</u>
	<u><u>125</u></u>	<u><u>7</u></u>
(b) Non statutory/non-contractual staff severance payments		
The academy trust paid 1 severance payment in the year in the band £25,001 - £50,000.		
(c) Staff numbers		
The average number of persons (including senior management team) employed by the trust during the year was as follows:-		
	<u>2023</u>	<u>2022</u>
	No	No
Teachers	232	224
Administration & support	261	229
Management	9	8
	<u>502</u>	<u>461</u>
	<u><u>502</u></u>	<u><u>461</u></u>
(d) Higher paid staff		
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 (based on annual salary) was:-		
	<u>2023</u>	<u>2022</u>
	No	No
£60,000 - £70,000	6	2
£70,000 - £80,000	3	3
£80,000 - £90,000	2	1
£90,000 - £100,000	1	1
£100,000 - £110,000	1	1
£120,000 - £130,000	1	1
(e) Key management personnel		
The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the academy trust was £1,013,737 (2022: £816,513).		

Areté Learning Trust
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Notes to the Financial Statements
for the Year Ended 31 August 2023

9 STAFF (continued)

CENTRAL SERVICES

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

- human resources
- payroll
- finance
- continued professional development
- early career teacher support
- school improvement
- website development and maintenance
- governance
- capital project maintenance
- recruitment
- project management
- career advisory service for students
- special education needs assessment and support

The academy trust charges 4.5% of GAG to cover these services.

The actual amounts charged during the year were as follows:

	<u>2023</u>	<u>2022</u>
	<u>£'000</u>	<u>£'000</u>
Stokesley School	312	276
Richmond School	355	315
Northallerton School	309	256
	<u>976</u>	<u> </u>

10 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One Trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO only receives remuneration in respect of services that they provide undertaking the role of CEO under their contract of employment.

The value of the trustee remuneration and other benefits was as follows: -

R Crane (CEO from 12 April 2021 & trustee)
Remuneration £265,000 - £270,000 (2022: £120,000 - £125,000)
Employers' pension contributions paid £29,126 (2022: £29,126)

During the year ended 31 August 2023 travel and expenses payments of £1,056 (2022: £1,499) were reimbursed or paid directly to trustees.

11 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2023 was £1,529. The cost of this insurance is included in the total insurance cost.

Areté Learning Trust
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Notes to the Financial Statements
for the Year Ended 31 August 2023

12 TANGIBLE FIXED ASSETS

	<u>Long Leasehold Buildings</u> £'000	<u>Furniture & Equipment</u> £'000	<u>Assets in the Course of Construction</u> £'000	<u>Computer Hardware</u> £'000	<u>Total</u> £'000
COST:					
At 1 September 2022	50,484	367	303	545	51,699
Inherited on conversion	2,585	-	-	-	2,585
Additions	387	253	75	78	793
Transfers	376	-	(376)	-	-
At 31 August 2023	53,832	620	2	623	55,077
DEPRECIATION:					
At 1 September 2022	3,573	215	-	483	4,271
Charge in year	1,073	41	-	50	1,164
At 31 August 2023	4,646	256	-	533	5,435
NET BOOK VALUE:					
At 31 August 2023	49,186	364	2	90	49,642
At 31 August 2022	46,911	152	303	62	47,428

13 INVESTMENTS

	<u>2023</u> £'000	<u>2022</u> £'000
Listed investments		
Fair value brought forward	410	216
Invested in year	-	200
Withdrawn in year	-	(5)
(Decrease) in market value	-	(1)
	410	410
Current asset investments		
Invested in year	500	-

14 DEBTORS

	<u>2023</u> £'000	<u>2022</u> £'000
Trade debtors	14	17
Prepayments and accrued income	491	911
Other debtors	5	4
VAT recoverable	141	221
	651	1,153

Areté Learning Trust
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Notes to the Financial Statements
for the Year Ended 31 August 2023

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2023</u>	<u>2022</u>
	£'000	£'000
Trade creditors	441	644
Other taxes and social security	423	297
Other creditors	423	350
Accruals	365	585
Concessionary loans	48	51
Deferred income	82	82
	<u>1,782</u>	<u>2,009</u>
Deferred income		
Deferred income at 1 September 2022	82	54
Released from previous year	(82)	(54)
Resources deferred in the year	82	82
	<u>82</u>	<u>82</u>
Deferred income at 31 August 2023	<u>82</u>	<u>82</u>

Deferred income is made up of devolved capital grant monies and catering income received in advance of the 2023/24 school year and SGO grant.

Included in other creditors is £37,049 (2022: £37,049) relating to the 16-19 bursary.

16 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2023</u>	<u>2022</u>
	£'000	£'000
Concessionary loans	<u>254</u>	<u>290</u>

At the year end the trust had seven Salix loans outstanding from various energy efficiency projects and CIF projects with energy efficiency elements amounting to £272,966, of which £233,917 is repayable over 1 year. The trust also had an ESFA loan for the PE Block CIF project amounting to £29,283, of which £20,447 is repayable over 1 year. All are interest free. The loans are repayable over between 1 and 10 years.

Areté Learning Trust
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Notes to the Financial Statements
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17 FUNDS

	<u>Balance at 1</u> <u>September</u> <u>2022</u> £'000	<u>Incoming</u> <u>Resources</u> £'000	<u>Resources</u> <u>Expended</u> £'000	<u>Gains/losses</u> <u>and</u> <u>transfers</u> £'000	<u>Balance at</u> <u>31 August</u> <u>2023</u> £'000
RESTRICTED GENERAL FUNDS					
General annual grant	231	19,961	(19,435)	(506)	251
Big Lottery	1	-	-	-	1
Universal infant free school meals	-	14	(14)	-	-
Pupil premium	-	724	(724)	-	-
Other DfE group grants	157	620	(620)	-	157
Local Authority	-	435	(435)	-	-
School Trip income	-	285	(285)	-	-
	389	22,039	(21,513)	(506)	409
Pension reserve	(2,536)	-	(173)	1,161	(1,548)
	(2,147)	22,039	(21,686)	655	(1,139)
RESTRICTED FIXED ASSETS FUNDS					
Transfer on conversion	33,589	2,585	-	-	36,174
DfE group capital grants/ capital expenditure from GAG	13,740	287	(1,165)	506	13,368
	47,329	2,872	(1,165)	506	49,542
TOTAL RESTRICTED FUNDS	45,182	24,911	(22,851)	1,161	48,403
TOTAL UNRESTRICTED FUNDS	1,495	2,340	(2,137)	-	1,698
TOTAL FUNDS	46,677	27,251	(24,988)	1,161	50,101

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward. The purpose of the grant is to fund the day to day running of the Trust.

The Free school meals supplementary grant provides funding for schools to help them meet the costs of providing extra free school meals before the lagged funding system catches up.

Big Lottery funds were awarded under the Activities for All project which is given to fund projects that shape places and spaces that matter to the community.

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Notes to the Financial Statements
for the Year Ended 31 August 2023

17 FUNDS (continued)

Pupil premium grant is received from the ESFA in order to approve the attainment of disadvantaged children.

Other DfE and government grants includes Teachers pay grant, School Supplementary Grant, MSAG and various Covid grants.

The Local Authority funds were for Special Educational Needs to support those pupils that have learning or behavioural difficulties.

School trip income is received from parents/carers to cover the cost of children's educational visits.

The pension reserve represents the deficit of the LGPS.

Restricted fixed assets were funded by government grants, transferred from the local authority or received from third party contributors.

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Notes to the Financial Statements
for the Year Ended 31 August 2023

Fund Transfers

The funds transfer represents fixed assets purchased from the general restricted fund.

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

	<u>Balance at 1</u> <u>September</u> <u>2021</u> <u>£'000</u>	<u>Incoming</u> <u>Resources</u> <u>£'000</u>	<u>Resources</u> <u>Expended</u> <u>£'000</u>	<u>Gains/losses</u> <u>and</u> <u>transfers</u> <u>£'000</u>	<u>Balance at</u> <u>31 August</u> <u>2022</u> <u>£'000</u>
RESTRICTED GENERAL FUNDS					
General annual grant	958	18,658	(18,369)	(1,016)	231
FSM supplementary grant	-	-	-	-	-
Start-up grant	-	13	(13)	-	-
Big Lottery	1	-	-	-	1
Pupil premium	-	539	(539)	-	-
Other DfE group grants	113	705	(661)	-	157
Local Authority	-	343	(343)	-	-
School Trip income	-	97	(97)	-	-
SSCO Partnership	-	36	(36)	-	-
	<u>1,072</u>	<u>20,391</u>	<u>(20,058)</u>	<u>(1,016)</u>	<u>389</u>
Pension reserve	(8,337)	-	(1,120)	6,921	(2,536)
	<u>(7,265)</u>	<u>20,391</u>	<u>(21,178)</u>	<u>5,905</u>	<u>(2,147)</u>
RESTRICTED FIXED ASSETS FUNDS					
Transfer on conversion	33,589	-	-	-	33,589
DfE group capital grants/ capital expenditure from GAG	13,478	277	(1,031)	1,016	13,740
	<u>47,067</u>	<u>277</u>	<u>(1,031)</u>	<u>1,016</u>	<u>47,329</u>
TOTAL RESTRICTED FUNDS	<u>39,802</u>	<u>20,668</u>	<u>(22,209)</u>	<u>6,921</u>	<u>45,182</u>
TOTAL UNRESTRICTED FUNDS	<u>1,423</u>	<u>1,147</u>	<u>(1,075)</u>	<u>-</u>	<u>1,495</u>
TOTAL FUNDS	<u>41,225</u>	<u>21,815</u>	<u>(23,284)</u>	<u>6,921</u>	<u>46,677</u>

Areté Learning Trust
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Notes to the Financial Statements
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17 FUNDS (continued)

	<u>2023</u>	<u>2022</u>
	<u>£'000</u>	<u>£'000</u>
Stokesley School	685	738
Richmond School	713	783
Northallerton School	459	362
Mill Hill School	250	-
Trust	-	-
	<u>2,107</u>	<u>1,883</u>
Restricted Fixed Asset Fund	49,542	47,330
Pension Reserve	(1,548)	(2,536)
	<u><u>50,101</u></u>	<u><u>46,677</u></u>

Total cost analysis by academy

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

	<u>Teaching & educational support staff costs</u>	<u>Other support staff costs</u>	<u>Educational supplies</u>	<u>Other costs (excluding depreciation)</u>	<u>Total 2023</u>	<u>Total 2022</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Stokesley school	4,061	1,746	473	851	7,131	6,929
Richmond school	4,737	1,401	534	1,208	7,880	7,761
Northallerton school	3,750	1,616	378	1,165	6,909	6,569
Mill Hill school	263	195	40	106	604	-
Trust	529	407	20	344	1,300	994
	<u>13,340</u>	<u>5,365</u>	<u>1,445</u>	<u>3,674</u>	<u>23,824</u>	<u>22,253</u>

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:-

	<u>Unrestricted Funds</u>	<u>Restricted General Funds</u>	<u>Restricted Fixed Asset Funds</u>	<u>2023 Total Funds</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Tangible fixed assets	-	-	49,642	49,542
Investments	-	410	-	410
Current assets	1,698	1,925	10	3,633
Current liabilities	-	(1,672)	(110)	(1,782)
Non-current liabilities	-	(254)	-	(254)
Pension scheme liability	-	(1,548)	-	(1,548)
	<u>1,698</u>	<u>(1,139)</u>	<u>49,542</u>	<u>50,101</u>

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Notes to the Financial Statements
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18 ANALYSIS OF NET ASSETS BETWEEN FUNDS (continue)

Comparative information to 31 August 2022:

	<u>Unrestricted</u> <u>Funds</u> <u>£'000</u>	<u>Restricted</u> <u>General</u> <u>Funds</u> <u>£'000</u>	<u>Restricted</u> <u>Fixed Asset</u> <u>Funds</u> <u>£'000</u>	<u>2022</u> <u>Total</u> <u>Funds</u> <u>£'000</u>
Tangible fixed assets	-	-	47,428	47,428
Investments	-	410	-	410
Current assets	1,495	2,168	11	3,674
Current liabilities	-	(1,899)	(110)	(2,009)
Non-current liabilities	-	(290)	-	(290)
Pension scheme liability	-	(2,536)	-	(2,536)
Total net assets	1,495	(2,147)	47,329	46,677

19 CAPITAL COMMITMENTS

	<u>2023</u> <u>Total</u> <u>£'000</u>	<u>2022</u> <u>Total</u> <u>£'000</u>
Contracted for, but not provided in the financial statements	-	106

20 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases were:-

	<u>2023</u> <u>Total</u> <u>£'000</u>	<u>2022</u> <u>Total</u> <u>£'000</u>
Amounts within one year	123	165
Amounts within two to five years	99	281
	222	446

21 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>2023</u> <u>Total</u> <u>£'000</u>	<u>2022</u> <u>Total</u> <u>£'000</u>
Net income/(expenditure) for the reporting year (as per the statement of financial activities)	2,263	(1,469)
Adjusted for:		
Depreciation (note 12)	1,165	1,031
Inherited on conversion	(2,585)	-
Capital Grants from DfE	(264)	(277)
Defined benefit pension scheme cost less contributions payable (note 25)	86	984
Defined benefit pension scheme finance costs (note 25)	87	136
Decrease in debtors	502	157
Decrease in creditors	(224)	(223)
Net cash provided/(used in) by operating activities	1,004	339

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Notes to the Financial Statements
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CASH FLOW FROM FINANCING ACTIVITIES

	<u>2023</u>	<u>2022</u>
	<u>Total</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>
Repayments in year	(39)	(21)
New loans received	-	268
Net cash (used in)/provided by financing activities	(39)	247

CASH FLOW FROM INVESTING ACTIVITIES

	<u>2023</u>	<u>2022</u>
	<u>Total</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>
Interest receivable	-	-
Purchase of tangible fixed assets	(793)	(1,584)
Capital grants from DfE and other capital income	290	277
Invested in year	(500)	(200)
Withdrawn from fixed asset investment	-	5
Net cash provided used in investing activities	(1,006)	(1,502)

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
	<u>Total</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>
Cash at bank and in hand	2,483	2,521
	2,483	2,521

23 ANALYSIS OF CHANGES IN NET DEBT

	<u>Balance at 1</u>		<u>Balance</u>
	<u>September</u>		<u>at 31</u>
	<u>2022</u>	<u>Cash flow</u>	<u>August</u>
	<u>£'000</u>	<u>£'000</u>	<u>2023</u>
			<u>£'000</u>
Net cash			
Cash at bank and in hand	2,521	(38)	2,483
Loans falling due within one year	51	(3)	48
Loans falling due after one year	290	(36)	254
Total net assets	2,862	(77)	2,785

24 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 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.

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Notes to the Financial Statements
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25 PENSION 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 the North Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2019.

Contributions amounting to £361,118 (2022: £378,416) were payable to the schemes at 31 August 2023 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including 0.08% administration levy.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

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

The employers pension costs paid to TPS in the period amounted to £2,203,908 (2022: £2,036,000).

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

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

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Notes to the Financial Statements
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25 PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £1,051,000 (2022: £881,000), of which the employer's contributions totalled £830,000 (2022: £695,000) and employees' contributions totalled £221,000 (2022: £186,000). The agreed contribution rates for future years are 20.4% (Stokesley School) 20.9% (Richmond School) and 19.5% (Northallerton School) for employers and range from 5.5 to 8.5 percent for employees.

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

Principal Actuarial Assumptions

	<u>31 August 2023</u>	<u>31 August 2022</u>
	% per annum	% per annum
Rate of increase in salaries	3.85	3.95
Rate of increase in pensions in payment/inflation	2.60	2.70
Discount rate for scheme liabilities	5.10	4.10
Inflation assumption (CPI)	2.60	2.70

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

	<u>31 August 2023</u>	<u>31 August 2022</u>
Retiring today		
Males	22.0	21.8
Females	24.5	23.8
Retiring in 20 years		
Males	22.9	23.5
Females	25.5	25.7

Sensitivity analysis

	<u>31 August</u>	<u>31 August</u>
	<u>2023</u>	<u>2022</u>
	£'000	£'000
Discount rate + 0.1%	(223)	(269)
Discount rate - 0.1%	227	276
Mortality assumption - 1 year increase	(290)	(310)
Mortality assumption - 1 year decrease	290	310
CPI rate + 0.1%	28	225
CPI rate - 0.1%	(28)	(218)

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Notes to the Financial Statements
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25 PENSION COMMITMENTS (continued)

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

	<u>Fair Value</u> <u>at 31</u> <u>August</u> <u>2023</u> <u>£'000</u>	<u>Fair Value</u> <u>at 31</u> <u>August</u> <u>2022</u> <u>£'000</u>
Equity instruments	5,417	4,355
Debt instruments	1,763	1,763
Property	665	750
Cash and other	1,693	1217
Multi asset credit	534	434
	<hr/>	<hr/>
Total market value of assets	10,072	8,519
	<hr/> <hr/>	<hr/> <hr/>

The actual gain on the scheme assets in the year was £209,000 (2022: loss of £1,296,000).

Amounts recognised in the statement of financial activities:-

	<u>2023</u> <u>£'000</u>	<u>2022</u> <u>£'000</u>
Current service costs	(916)	(984)
Interest income	379	161
Interest cost	(466)	(297)
	<hr/>	<hr/>
Total amount recognised in SOFA	1,003	(1,120)
	<hr/> <hr/>	<hr/> <hr/>

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

	<u>2023</u> <u>£'000</u>	<u>2022</u> <u>£'000</u>
At 1 September 2022	11,055	17,406
Inherited Upon conversion	561	-
Current service cost	915	1,679
Past service cost	1	-
Interest cost	466	297
Actuarial (losses)/gains	(1,302)	(8,378)
Benefits paid	(297)	(135)
Employee contributions	221	186
	<hr/>	<hr/>
At 31 August 2023	11,620	11,055
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements
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Movement in the fair value of Academy Trust's share of scheme assets:-

	<u>2023</u>	<u>2022</u>
	£'000	£'000
At 1 September 2022	8,519	9,069
Inherited upon conversion	590	-
Interest income	379	161
Actuarial gains/(losses)	(170)	(1,457)
Employer contributions	830	695
Employee contributions	221	186
Benefits paid	(297)	(135)
	<hr/>	<hr/>
At 31 August 2023	<u>10,072</u>	<u>8,519</u>

26 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023, the trust received £29,056 (2022: £54,712) and disbursed £12,388 (2022: £27,663).

An amount of £37,049 (2022: £37,049) is included in other creditors relating to undistributed funds that is carried forward for distribution to students in the period ending 31 August 2023.

27 RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.

28 TRANSFERS ON CONVERSION

On 1 March 2023, Mill Hill Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Arété Learning Trust from North Yorkshire County Council for £nil consideration.

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

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

	Unrestricted	Restricted	Restricted	Total
Mill Hill Primary School	Funds	General	Fixed Asset	Funds
	£'000	Funds	Funds	£'000
		£'000	£'000	
Leasehold land and building	-	-	2,585	2,585
Cash representing income prior to forming the MAT	250	-	-	250
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets/(liabilities)	<u>250</u>	<u>-</u>	<u>2,585</u>	<u>2,835</u>