

Company Registration Number: 10299446 (England and Wales)

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

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HADRIAN LEARNING TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

L Charlton
D Hartland
S Kitchman
S Todd
P Wood

Trustees

S Kitchman, Chair¹
D Hartland, Vice Chair/Parent Trustee
G D Atkins, Chief Executive and Accounting Officer¹
C A Brown, Parent Trustee¹
K Chaplin (appointed 13 December 2017)
P Ferguson (resigned 27 September 2017)
B M Hignett
J M Holmes
V S Johnston (appointed 13 December 2017)
S C Kemp

¹ Finance and Audit Committee

Company registered number

10299446

Company name

Hadrian Learning Trust

Principal and registered office

Queen Elizabeth High School
Whetstone Bridge Road
Hexham
Northumberland
NE46 3JB

Executive officers

G D Atkins, Executive Headteacher
J Andriot, Acting Head of School (QE) (appointed 1 September 2017)
S Sparke, Chief Financial Officer

Independent auditors

Clive Owen LLP
Chartered Accountants
Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

HADRIAN LEARNING TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Bankers

Lloyds Bank plc
Priestpople
Hexham
NE46 1PA

Solicitors

Browne Jacobson LLP
18 - 22 Bridge Street
Manchester
M3 3BZ

Muckle LLP
32 Gallowgate
Newcastle Upon Tyne
NE1 4BF

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The academy trust currently operates two schools in the Hexham area – Hexham Middle School (HMS) and Queen Elizabeth High School (QEHS) – with a combined roll of around 1,750 pupils aged 9-19.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Trustees of Hadrian Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hadrian Learning Trust.

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

Members' liability

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

Trustees' indemnities

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

Method of recruitment and appointment or election of Trustees

The method for the appointment and election of Trustees is set out in detail in the academy trust's Article of Association.

The Members may appoint by ordinary resolution up to six Trustees. Two Parent Trustees are elected if Local Governing Bodies have not been established. If the number of persons exercising parental responsibility standing for election is less than the number of vacancies, Parent Trustees may be appointed by the Trust Board. The Trust Board may also appoint Co-opted Trustees.

The Trust Board seeks to have a balanced mix of the skills, experience and knowledge needed to carry out its role, informed by a regularly-updated Skills Audit. Where any skills gaps are identified, these are filled either by training or by recruiting new Trustees. Vacancies are publicised to stakeholders in the local community and the Trust Board also uses the services of Academy Ambassadors, a not-for-profit recruitment organisation funded by the Department for Education.

The term of office for any Trustee is four years, although this time limit does not apply to the Chief Executive where that person is appointed as a Trustee by virtue of their office. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

HADRIAN LEARNING TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees depends on their previous experience and is tailored to their individual needs. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Trustees are given a tour of the schools and the chance to meet with staff and students.

All Trustees are provided with the most recent editions of the Governance Handbook and Academies Financial Handbook, published by the Department for Education and Education and Skills Funding Agency respectively. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

Training is provided as required, based on needs identified in a regular Skills Audit or to reflect changes in such areas as educational assessment or the Academies Financial Handbook.

Organisational structure

The governance of the academy trust is defined in the Memorandum, Articles of Association and Funding Agreements agreed with the Department for Education.

The Members include three independent Members, appointed on the basis of their knowledge and experience, along with the Chair and Vice-Chair of the Trust Board. The role of Members is to ensure the academy trust meets its charitable objectives, act as custodians of the schools' ethos and oversee governance arrangements. They have the power to appoint and, if necessary, remove Trustees. It is, for the most part, a hands-off role. The Trust Board is responsible for the strategic leadership of the academy trust, including three core functions:

- Ensuring clarity of ethos, vision and strategic direction;
- Holding the Executive Headteacher to account for the educational performance of the schools;
- Overseeing the financial performance of the school, ensuring money is well spent.

Trustees also have general duties and obligations as both Company Directors and Charity Trustees. Trustees are bound by the Nolan Principles of Public Life and the academy trust's own Code of Conduct.

The Trust Board usually meets monthly during term time. It has established a detailed Scheme of Delegation, which sets out which of its functions it has delegated to Trust Committees and individuals such as the Chair or Executive Headteacher. There are currently four Committees:

- Finance and Audit
- HR and Performance Management
- HMS Monitoring Committee
- QEHS Monitoring Committee.

Committees operate under Terms of Reference and enable more detailed scrutiny and challenge for each area, to ensure that the Executive Headteacher is properly held to account. In most cases, Committees meet twice a term.

The day-to-day, operational management of the schools is delegated to the Executive Headteacher, who fulfils the role of Chief Executive Officer and Accounting Officer, and who is supported by the Senior Leadership Team (SLT). Individual members of the SLT are allocated specific management responsibilities by the Executive Headteacher.

HADRIAN LEARNING TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel are set in line with the academy trust's pay policy. This policy is reviewed annually by Trustees and reflects the national teachers' pay and conditions guidance for teaching staff and leaders and local authority practice for other staff. Benchmarks such as the size of the schools and complexity of the role are built into the processes detailed in the policy.

Performance management is used to determine pay progression for all teaching posts across the academy trust. An external School Improvement Partner advises the HR & Performance Management Committee in respect of the Executive Headteacher. The Committee also receives evidenced recommendations from the Executive Headteacher with regard to the pay of teachers and senior leaders.

No Trustee received any remuneration in connection with their governance responsibilities.

Trade union facility time

The academy trust does not employ any relevant trade union officials.

Related parties and other connected charities and organisations

Hadrian Learning Trust has a policy in place for staff and Trustees to disclose and handle related party transactions in line with company law and charity law and ESFA guidance.

There was one trivial related party transaction which is reported in note 25 of the financial statements.

Hadrian Learning Trust is a standalone organisation with no connected organisations.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal objects of Hadrian Learning Trust can be summarised as:

- to advance for the public benefit education in the UK, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- to promote for the benefit of the inhabitants of the areas in which the schools are situated the provision of facilities for recreation or other leisure time occupation.

Ethos

*"Outstanding eagerness to promote good learning"**

This is a friendly, welcoming school, built on foundations of mutual respect and care for others. We work together to become all we can be.

We share a love of learning and believe in the highest academic standards for everyone. We value education in its broadest sense, knowing that the arts, sport and other opportunities help shape us as individuals and as citizens of the wider world.

We are committed to enabling all of our students to develop their knowledge and understanding, skills and mindset, so that they can take their next steps with confidence. Our aim is that every child will grow into a happy, fulfilled and successful adult.

** From the Charter granted to the people of Hexham by Queen Elizabeth I, 1599*

HADRIAN LEARNING TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities

The Trust Board has defined three key objectives:

- first and foremost, to improve educational outcomes and experience;
- secondly, to become financially sustainable;
- thirdly, to secure capital investment, so that buildings and facilities are fit for purpose.

In fulfilment of the objects, the academy trust's principal activities in the year ended 31 August 2018 were:

- maintaining, carrying on, managing and developing the schools within the academy trust;
- offering a broad and balanced curriculum;
- ensuring that every pupil and student enjoys equal access to high quality education.

Public benefit

The academy trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the academy trust should undertake.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Provisional Key Stage 2 Outcomes

	2016		2017		2018*	
KS2	HMS	National	HMS	National	HMS	National
RWM combined						
Expected standard	54%	53%	73%	61%	76%	64%
High standard	13%	5%	19%	9%	18%	10%
Reading						
Expected standard	71%	66%	82%	72%	81%	75%
High standard	35%	19%	41%	25%	42%	28%
Writing						
Expected standard	90%	74%	86%	76%	90%	78%
High standard	23%	15%	26%	18%	30%	20%
EGPS						
Expected standard	82%	72%	86%	77%	85%	78%
High standard	35%	22%	41%	31%	43%	34%
Mathematics						
Expected standard	64%	70%	77%	75%	79%	76%
High standard	22%	17%	34%	23%	37%	24%

*Provisional / unvalidated data

In 2018, the percentage of pupils reaching the expected standard in the combined Reading, Writing and Mathematics (RWM) measure has shown a three-year upward trend, from 54% in 2016 to 73% in 2017 and 76% in 2018, the latter well above the provisional national figure of 64%. The proportion reaching the higher standard in 2018 is 18%, having been 13% in 2016 and 19% in 2017. The provisional national figure for 2018 is 10%.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENTS AND PERFORMANCE (continued)

Provisional Key Stage 2 Outcomes (continued)

In Reading, 81% reached the expected standard, with 82% achieving this in 2017, up from 71% in 2016. The provisional national figure for reading is 75%. 42% reached the higher standard, up from 35% and 41% in 2016 and 2017 respectively, and well above the provisional national figure of 28%.

In Writing, 90% reached the expected standard, compared with 90% in 2016 and 86% in 2017, with the provisional 2018 national figure being 78%. 30% reached the higher standard, up from 23% in 2016 and 26% in 2017. The provisional national figure is 20%.

In English Grammar, Punctuation and Spelling (EGPS), 85% reached the expected standard, compared with 82% in 2016 and 86% in 2017, and a 2018 provisional 2018 national figure of 78%. 43% reached the higher standard, up from 35% in 2016 and 41% in 2017, and above the provisional 2018 national figure of 34%.

In Mathematics, 79% reached the expected standard, up from 64% in 2016 and 77% in 2017, and above the provisional 2018 national figure of 76%. 37% reached the higher standard, up from 22% in 2016 and 34% in 2017, and well above the provisional 2018 national figure of 24%.

Provisional Key Stage 4 Outcomes

	2016		2017		2018*	
KS4	QEHS	National	QEHS	National	QEHS	National
Progress 8	0.31	0	0.53	0	0.64	0
Attainment 8	55.9	48.5	53.9	44.2	57.1	44.3
%9-5 English and Mathematics	N/a	N/a	63%	39.1%	68%	39.9%
%EBacc	39%	23.1%	28%	19.5%	23%/4.91APS	3.83APS
%A*-C/9-4 English and Mathematics	80%	59.3%	79%	63.3%	80%	tbc

*Provisional / unvalidated data

In 2018, students sat reformed GCSEs in most subjects for the first time (reformed English Language, English Literature and Mathematics GCSEs had been examined for the first time in 2017). In 2018, almost all GCSE subjects were graded on the 9-1 scale. The 2018 headline accountability measures for secondary schools are: Attainment 8, Progress 8, attainment in English and Mathematics at grades 5 or above, English Baccalaureate (EBacc) entry and achievement (including a grade 5 or above in English and Mathematics), and destinations of pupils after key stage 4.

The Progress 8 score for Queen Elizabeth High School in 2017 is 0.64, up from 0.31 in 2016 and 0.53 in 2017, placing the school in the top 8% of schools nationally and the third top in the North East of England. The percentage of students gaining strong passes (grades 9 to 5) in both English and Mathematics is 68%, up from 63% in 2017 and well above the provisional 2018 national figure for state schools of 39.9%. 26% of students entered the EBacc compared with 35% nationally. 23% of the total Year 11 cohort achieved the EBacc, with an average points score (APS) of 4.91 compared with a provisional 2018 national average points score of 3.83. The school's Attainment 8 score is 57.1, up from 53.9 in 2017 and above the provisional 2018 national figure of 44.3. 80% of students gained 9-4 grade passes in English and Mathematics in 2018, compared with 79% in 2018. The national figure is to be confirmed.

With regard to destinations, provisional data for 2018 indicates that 78% of Year 11 progressed to sixth form study, 15% went onto further education at college and 7% went onto apprenticeships.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENTS AND PERFORMANCE (continued)

Provisional Key Stage 5 Outcomes

	2016		2017		2018*	
16-19	QEHS	National	QEHS	National	QEHS	National
A Level						
Average points score per entry	35.78	31.79	40.44	32.12	40.99	32.12
Average grade	B-	C+	B	C+	B	C+
Value added	+0.09	0	+0.16	0	tbc	0
Applied General						
Average points score per entry	43.01	34.7	42.58	35.73	33.91	tbc
Average grade	Dist*-	Dist	Dist*-	Dist	Dist	tbc
Value added	+0.28	0	+0.08	0	tbc	0

*Provisional / unvalidated data

At A Level, the average point score per entry (APS) in 2018 is 40.99, up from 40.44 in 2017, and significantly higher than the 2017 national figure of 32.12. Expressed as a grade, the APS is Grade B, above the expected national average grade of C+.

For Applied General students, the APS is 33.91. This is down from 42.58 in 2017. However, this reflects the fact that there has been a significant change to Applied General courses, which took effect in 2018, rather than any decline in standards. The average grade for Applied General students in 2018 was Distinction.

With regard to destinations, 56% of the 2018 cohort progressed to university, 15% are applying for a university place this year, 5% went into employment, 7% went onto an art foundation course and 2% began apprenticeships, with 6% continuing at school. The destinations of 9% of the cohort remain unknown at the time of writing.

Key Performance Indicators

The key financial performance indicators monitored by the leadership team and Trust Board are as follows:

- Pupil numbers versus capacity and prediction, including sixth form retention;
- Management accounts versus budget;
- GAG and other income compared to other schools;
- Average teacher cost benchmarked against national medians and similar schools;
- Employee and other cost categories benchmarked against national medians and similar schools;
- Pupil to teacher ratio benchmarked against national medians and similar schools;
- Examination results.

Both schools in the academy trust met the required standards during the period.

Educational Experience

Both Queen Elizabeth High School and Hexham Middle School are rated as Good by Ofsted. As the schools' ethos makes clear, the academy trust believes that the highest academic standards for all students should go hand in hand with the opportunity to participate in a broad range of extra-curricular and enrichment opportunities. Surveys of both HMS and QE students show that a large proportion engage in at least one activity.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENTS AND PERFORMANCE (continued)

Educational Experience (continued)

Throughout the course of the last year, provision in this area remained strong. At Hexham Middle School, pupils participated in a variety of competitive sporting fixtures and events, including in football, rugby, cricket, netball and athletics, and took part in the school's winter games and summer sports day. In music, pupils had the opportunity to play and sing in various ensembles – the school orchestra, the ceilidh band, the choir, the pop choir and the rock band, and to perform at various events including the annual carol service in Hexham Abbey. There were a number of author and theatre company visits to the school and a whole host of visiting guest speakers. STEM (Science, Technology, Engineering and Mathematics) activities included workshops run by Newcastle University, the Centre for Life and Sir Robert McAlpine Engineering. Pupils also took part in 'Show racism the Red Card' workshops.

Careers education and next steps guidance featured strongly and included various careers talks, engagement with universities and participation in a careers fair attended by a number of employers. Educational visits included Newcastle University, Kirkley Hall, Gibside, Safety Works, Hexham Old Gaol, Wimbledon, and one to Tynemouth as part of a literature initiative. Pupils also participated in the Hexham Book Festival Award Ceremony at The Sill, Year 8 pupils travelled to Manchester to compete in the finals of a national science competition and a number of pupils gained Bronze Arts Award certificates at a ceremony in the Queen's Hall. There were two residential visits – to High Borrans and Kingswood outdoor education centres, and two trips abroad – a cultural visit to France and the annual ski trip.

Extra-curricular clubs included Latin, Japanese, Computing, Art, Ceilidh, Film and a whole host of sporting clubs.

At Queen Elizabeth High School, extra-curricular and enrichment provision was equally strong. Students participated in a wide range of competitive sporting events including in football, rugby, cricket, netball and hockey, with successes including: winners of the Northumberland Under 19s county netball tournament; Under 15 girls' indoor and outdoor county and regional cricket champions, leading to participation in the national competition held at Lords, and winners of the Year 9 and 10 inter-schools rugby tournament. The school's rowing club continued to have considerable success at various events throughout the rowing season. The school also had a number of individual successes at the Tynedale and County athletics events.

In music, there was a whole host of opportunities for students to participate, including boys' choir, girls' choir, orchestra, folk group, rock band, wind band, jazz band, Northumbrian pipes and Brazilian drumming, with each ensemble featuring at various events throughout the year. Brazilian dance, Youth Dance Tynedale and Youth Theatre provided opportunities for students in the other performing arts, with the latter the main focus for the school's annual production, which in 2017/18 was The Little Shop of Horrors.

In the visual arts, the school's 2018 sixth form art exhibition in the Queen's Hall, which focused on the theme of reflection, was a great success, as was the art department's annual showcasing of wider work in school. A number of Year 12 and 13 students undertook the Gold Arts Award.

The preparation of students for their next steps was considerable. As well as provision of one-to-one careers advice and guidance, activities and initiatives included various careers talks, a careers and employment day supported by a number of local and regional employers, Next Steps and Opportunity Ready conferences, attendance at Skills North East, a visit to Newcastle College, a visit to Egger, involvement with the Raising Aspirations Partnership, and attendance at the UCAS convention and Oxbridge conference.

Educational trips and visits throughout the year included a visit to the Samye Ling Tibetan Centre, attendance at a conference on the Middle East, participation in the Hexham Partnership Pupil Voice conference, mosque, temple and Hexham churches visits, visits to various theatre productions both locally and beyond, participation in the engineering education scheme, attendance at a philosophy conference, attendance at a mathematics and statistics conference, and visits to the Centre for Life, Newcastle University, Edinburgh art galleries and Beamish, amongst many others. Curriculum leaders led a variety of subject-specific field trips, and visits abroad included one to the European Organisation for Nuclear Research (CERN) in Switzerland, one to the Tashi Lhunpo monastery in India, an art visit to Barcelona, Spanish and German exchanges and two ski trips.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENTS AND PERFORMANCE (continued)

Educational Experience (continued)

Extra-curricular clubs included a number of subject-specific clubs, sporting clubs, music groups, the human rights group, the Christian union, the creative writing group, the debating club and the Duke of Edinburgh Award group.

Capital projects

In total, the academy trust has now made five successful bids to the ESFA's Condition Improvement Fund (CIF) over the last two years for works totalling £1.5m:

- Works have continued during the year in relation to the two successful 2016-17 CIF bids, for refurbishment of Hexham Middle School's canteen roof and some of the roofs of the Fellside building, and replacement of windows and cladding to the front of the lower school at Queen Elizabeth High School.
- Three further successful funding applications were made to the CIF in 2017-18. At Hexham Middle School, this enabled work to begin on the refurbishment of some of the roofs of the Beaumont building and the remaining roofs of the Fellside building. Boiler and heating replacement works have also been carried out to the Fellside, Orchard and canteen buildings at Hexham Middle School. Queen Elizabeth High School was allocated funding for replacement of fan convactor heaters in the lower school building.

The Hydro building at Queen Elizabeth High School has been allocated Priority Schools Building Programme funding in order to meet its condition needs. Discussions continue with the ESFA project team and their advisors on implementation.

In addition to the major capital works described above, a programme of repairs and upgrading of the facilities has continued throughout the period, as allowed by very limited funding. This has included essential repairs, safety improvements and upgrade of ICT facilities.

Going Concern

After making appropriate enquiries, the Trust Board has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. In addition, unrestricted income comprises self-generated revenue such as lettings and departmental sales.

During the year ended 31 August 2018, total recurrent grant funding of £10,207,000 from the DfE/ESFA together with other incoming resources was in excess of total expenditure. The excess of income over expenditure for the period (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £220,000. The in-year surplus excluding restricted fixed assets and pension reserves was £343,000.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW (continued)

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy trust's objectives.

At 31 August 2018 the net book value of fixed assets was £21,044,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £4,413,000 recognised on the balance sheet.

The academy trust held fund balances as at 31 August 2018 of £17,832,000 comprising £236,000 of restricted general funds, £21,825,000 of restricted fixed asset funds, £(4,413,000) of restricted pension funds and £184,000 of unrestricted funds.

Reserves policy

The academy trust holds restricted and unrestricted funds, and the attached financial statements detail these funds. Unrestricted funds are held to cover delays between spending and receipt of grants, manage annual variations in student numbers, and provide a cushion to deal with unexpected emergencies.

The level of reserves is reviewed by the Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy trust is reviewed by the Trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) equivalent to four weeks' expenditure (£700,000) across the academy trust. The academy trust's current level of free reserves are £184,000 and therefore are considered to be below the level of reserves required for the ongoing needs of the academy trust. Trustees have decided that the reserves will now be grown at a rate of at least half a week per year.

Once the targeted level of reserves has been achieved, the Trustees will consider additional activities related to the academy trust's objectives to which any future excess reserves may be applied, including to provide funds which can be designated to specific areas such as providing an option as to whether to contribute to the pension deficit and/or to develop the academy trust's longer-term goals and ambitions by building up seed funding for future capital projects and educational initiatives for the benefit of pupils.

Investments policy

The academy trust invests surplus funds through cash deposits at market rates. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the academy trust is exposed, in particular those relating specifically to the operations and finances of the academy trust, and are satisfied that systems are in place to mitigate any exposure to major risks.

The Finance and Audit Committee undertakes a formal review of the academy trust's risk management process on an annual basis, and reviews the risk register at least termly.

The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. The key controls used by the academy trust are as follows:

- Formal agendas for all Trust Board and committee meetings
- A detailed scheme of delegation

HADRIAN LEARNING TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

- Terms of reference for the Trust Board and its committees
- School development plans for each school identifying key strategic planning objectives and the resources required to achieve them
- Formal written policies reviewed regularly
- Comprehensive strategic budget planning, monitoring and review
- Clear safeguarding and vetting procedures to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards.

A comprehensive list of key risks are included with the academy trust's 'Risk Register' and mitigating actions are identified and policies put in place. Risks beyond the academy trust's control are monitored and planned for. A summary of risks on the Risk Register is as follows:

1	Trust runs unsustainable deficit budget
2	Pupil numbers fall significantly
3	Poor Ofsted report
4	Poor pupil attainment/ progress
5	Vacancies not filled with high quality staff
6	Significant staff absence
7	Insufficiently skilled/experienced Trustees
8	Natural/other disaster occurs
9	A student or member of staff comes to significant harm on school premises
10	Serious safeguarding issue
11	Fraud
12	Breach of legislative requirements
13	IT standard inadequate
14	Theft/loss of assets
15	Cessation of LGPS pooling
16	Significant increase in TPS employer contributions
17	Future significant unfunded staff pay increases
18	Unfunded building maintenance issues

HADRIAN LEARNING TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW (continued)

Principal risks and uncertainties (continued)

The following risk evaluation matrix has been used to assess each of the risks above:

		Impact				
		1. Not critical to continued operation	2. Minor impact	3. Significant short term impact	4. Significant medium term impact	5. Fundamental to continuing operations
Likelihood	1. Extremely unlikely				7	
	2. Unlikely			12, 15, 17	3, 4, 16	8, 9
	3. Moderately likely			13, 14, 18	5,6,10	1,11
	4. Very likely; regular			2		
	5. Extremely likely					

KEY

Low risk	
Medium risk	
High risk	

It is recognised that systems can only provide reasonable, but not absolute assurance that major risks have been adequately managed. Where significant financial risk remains, Trustees have ensured they have adequate insurance cover, and a business continuity plan is in place so that activities can be maintained.

Fundraising

Hadrian Learning Trust aims to ensure that education in school is free. Various fundraising activities are carried out for the benefit of our students and the wider community, including:

- requesting voluntary donations from parents to contribute to the cost of a wide range of activities including school trips, educational activities and departmental resources as well as general contributions to school funds
- student-led activity, such as supermarket bag-packing, cake stalls and activity sponsorship, used to purchase equipment and contribute to the running of school trips or clubs
- cash and other collections from students to donate to local and national charitable organisations (such as non-uniform days and food bank collections)
- Hexham Middle School benefits from donations to support school purchases from its Parent Teacher Association, which raises monies through holding a range of activities and events.

The academy trust also seeks to raise additional funds to invest in education through ad hoc grant applications (including applications to supermarket 'token' funding initiatives) and facilities lettings.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW (continued)

Fundraising (continued)

All fundraising activities conform to Charity Commission guidelines. Hadrian Learning Trust does not use professional fundraisers or involve commercial participators, and care is taken to ensure that requests for donations are not unreasonably intrusive or persistent. There have been no complaints about fundraising activity this year.

PLANS FOR FUTURE PERIODS

The main objectives of Hadrian Learning Trust remain as follows:

- to improve educational experience and outcomes;
- to become financially sustainable;
- to secure capital investment, so that buildings and facilities are fit for purpose.

In Spring 2018, the academy trust carried out a formal consultation on a proposal to bring HMS and QE together to form a single 11-18 secondary school, in order to help realise the above objectives. The trust also consulted on whether or not QEHS should expand if a decision was taken by Northumberland County Council and the Regional Schools Commissioner to close Haydon Bridge High School. The latter was one of the options put forward by the Council in its own broader Education in the West consultation.

The Council concluded that it would continue to support Haydon Bridge High School within a two-tier structure but it could not support age range change within the Hexham Partnership. In the light of this, the Trust Board decided not to submit a business case for significant change to the Regional Schools Commissioner.

There was broad support during the consultations for investment in our schools' estate. In July 2018, Northumberland County Council agreed to fund a feasibility study with a view to potentially invest £36-40 million in our schools. In order to explore options, we are working closely with the Council and the Education and Skills Funding Agency (who, in 2015, committed to the refurbishment and renovation of the Hydro building as part of the Priority Schools Building Programme 2).

As stated at the time of academy conversion, the academy trust is open to other schools joining Hadrian Learning Trust, where it is agreed that this is in everyone's interest. This could include other schools within the Hexham Partnership or beyond.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Trust Board, as the company directors, on 12 December 2018 and signed on its behalf by:

S Kitchman
Chair



HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Hadrian 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 Trust Board has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hadrian Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Trust 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 Trust Board has formally met 15 times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Trustee	Meetings attended	Out of a possible
S Kitchman, Chair	15	15
D Hartland, Vice Chair/Parent Trustee	15	15
G D Atkins, Chief Executive and Accounting Officer	15	15
C A Brown	14	15
K Chaplin	6	9
P Ferguson	1	2
B M Hignett	13	13
J M Holmes	8	15
V S Johnston	5	9
S C Kemp	12	15

Governance Review

The Trust Board reviewed its governance arrangements during the year. It concluded that structures and processes were effective and met the requirements of the Academies' Financial Handbook.

During the year, the Trust Board agreed a number of changes to the Governance Framework and Scheme of Delegation, which set out governance arrangements in detail. A Skills Audit was also updated to inform training and recruitment requirements.

During the course of the year, one Trustee resigned for personal reasons and left with the thanks of the Trust Board for his contribution. The Trust Board was pleased to appoint two new Trustees, following an open recruitment process, assisted by Academy Ambassadors.

In carrying out its work, the Trust Board makes extensive use of external data in order to validate and verify the information and analysis provided by Senior Leaders. Examples include benchmarking of academic and educational performance, regular feedback from the independent School Improvement Partner and a rolling programme of Internal Assurance Reviews conducted by Clive Owen LLP.

The Trust Board will continue to evaluate the effectiveness of governance arrangements during 2018-19.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Governance (continued)

The Finance and Audit Committee is a sub-committee of the main Trust Board. Its purpose is to advise the Trust Board on financial matters, and ensure adherence to the Academies Financial Handbook across the areas of governance and financial oversight; financial planning, monitoring and reporting; internal control and internal scrutiny; proper and regular use of funds and audit requirements.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C A Brown (Chair)	6	6
G D Atkins (Chief Executive and Accounting Officer)	6	6
S Kitchman	6	6

Review of Value for Money

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

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

Reducing overall staffing expenditure whilst improving student outcomes

Following a significant staffing re-structure in 2015, the opportunity to reduce expenditure on staffing further has continued to be taken in each subsequent year. Specifically, this has involved re-structuring certain aspects of middle and senior leadership, not filling certain posts when staff have left, and reducing the teaching staff full-time equivalent (FTE) total from 103.4 FTE to 95.5 FTE since September 2014. During this period, outcomes at both schools have improved. Benchmarking analysis indicates that each is typically at the low end of spending across most measures compared with similar schools. In addition, we analyse our curriculum and staffing profile in relation to the Outwood Grange Academies Trust's approach to curriculum and financial planning, which indicates broad alignment with their key efficiency indicators.

Seeking low-cost support and professional development to improve outcomes

The academy trust promotes a continuous improvement mindset and, as such, senior and middle leaders are committed to improving provision so that outcomes for pupils and students continue to improve. To this end, over the course of the past year, staff have sought to learn from others who may be doing better in relation to particular aspects. For example, a variety of senior and middle leaders from both schools have visited and sought to learn from other good and outstanding providers.

Financial benchmarking

We use a number of benchmarking resources to review the financial efficiency of our schools, and to benchmark our financial expenditure and position. These resources include the academy benchmarking reports published by a number of audit and accountancy firms, and the Department for Education's suite of school resource management tools.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Best value procurement

The Trustees and officers apply the principles of best value when making spending decisions. The academy trust follows policies and procedures which ensure the best value is secured from purchases by maximising:

- Economy – minimising the cost of resources used while having regard to quality – **spending less;**
- Efficiency – relationship between outputs and the resources used to achieve them – **spending well;**
- Effectiveness – the relationship between intended and actual impacts of spending – **spending wisely;**
- Equity – the extent to which services are available to and reach all people that they are intended to – **spending fairly.**

A highly skilled finance team oversees all ordering and procurement activities. Orders and contracts must be supported by written quotations before the decision is taken to proceed in line with the following limits:

Value	Approval	Best value process
Above EU threshold	Trust Board	EU tender
£100,000 to EU threshold	Trust Board	Three tenders based on a written specification and evaluation criteria
£20,000 to £100,000	Finance and Audit Committee	Three formal quotations, where appropriate
Up to £20,000	CEO	Above £5,000 (£10,000 for works) – three quotations Below £5,000 – a price must be obtained prior to placing an order and consideration given to sourcing alternative quotations

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hadrian Learning Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trust Board has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board;
- regular reviews by the Finance and Audit 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.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework (continued)

The Trust Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Clive Owen LLP, the external auditors, to perform additional checks.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of petty cash/expenses procedures
- Testing of control account/bank reconciliations
- Testing of Income systems
- Testing of the accounting system and management information produced
- Review of trustee appointments/resignations and declarations of interest
- Review of gifts and hospitality and honorarium/ex-gratia payments
- Review of information technology strategy
- Review of fixed assets
- Review of VAT and corporation tax position

On a termly basis, the external auditors report to the Trust Board through the Finance and Audit Committee on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities.

The schedule of work has been delivered as planned, and no material control issues have been identified as a result of the reviewer's work. Recommendations for internal control improvements are raised from time to time, and procedures are put in place accordingly.

Review of Effectiveness

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

- the work of the external auditors;
- 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 Finance and Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust Board on 12 December 2018 and signed on their behalf, by:



S Kitchman
Chair



G D Atkins
Accounting Officer

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hadrian Learning Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



G D Atkins
Accounting Officer

Date: 12 December 2018

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as trustees of Hadrian Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued 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 of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis .

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 Trust Board on 12 December 2018 and signed on its behalf by:



S Kitchman
Chair

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN LEARNING TRUST**

Opinion

We have audited the financial statements of Hadrian Learning Trust (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 2018 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 2015 and the Academies Accounts Direction 2017 to 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN LEARNING TRUST**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN LEARNING TRUST**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Beaumont BA(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants
Statutory Auditors

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT
12 December 2018

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HADRIAN LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hadrian Learning Trust during the year 1 September 2017 to 31 August 2018 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 Hadrian 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 Hadrian 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 Hadrian Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Hadrian Learning Trust's funding agreement with the Secretary of State for Education dated 24 August 2016, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HADRIAN LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

Approach (continued)

The work undertaken to draw to our conclusion includes:

- Review of trust board and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Trustees;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy.

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 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Clive Owen LLP

Reporting Accountants

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

12 December 2018

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	-	-	-	-	15,468
Other donations and capital grants	2	24	-	1,158	1,182	464
Charitable activities	3	-	8,067	-	8,067	8,086
Other trading activities	4	954	-	-	954	1,069
Investments	5	4	-	-	4	1
TOTAL INCOME		<u>982</u>	<u>8,067</u>	<u>1,158</u>	<u>10,207</u>	<u>25,088</u>
EXPENDITURE ON:						
Charitable activities		878	7,951	521	9,350	9,589
TOTAL EXPENDITURE	7	<u>878</u>	<u>7,951</u>	<u>521</u>	<u>9,350</u>	<u>9,589</u>
NET BEFORE TRANSFERS		104	116	637	857	15,499
Transfers between Funds	18	-	(54)	54	-	-
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		<u>104</u>	<u>62</u>	<u>691</u>	<u>857</u>	<u>15,499</u>
Actuarial gains on defined benefit pension schemes	23	-	586	-	586	890
NET MOVEMENT IN FUNDS		<u>104</u>	<u>648</u>	<u>691</u>	<u>1,443</u>	<u>16,389</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		80	(4,825)	21,134	16,389	-
TOTAL FUNDS CARRIED FORWARD		<u>184</u>	<u>(4,177)</u>	<u>21,825</u>	<u>17,832</u>	<u>16,389</u>

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10299446

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
FIXED ASSETS				
Tangible assets	13		21,044	20,844
CURRENT ASSETS				
Stocks	14	21		15
Debtors	15	766		349
Cash at bank and in hand		2,414		1,179
		<u>3,201</u>		<u>1,543</u>
CREDITORS: amounts falling due within one year	16	(1,969)		(1,108)
NET CURRENT ASSETS			<u>1,232</u>	<u>435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,276</u>	<u>21,279</u>
CREDITORS: amounts falling due after more than one year	17		<u>(31)</u>	<u>(68)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>22,245</u>	<u>21,211</u>
Defined benefit pension scheme liability	23		<u>(4,413)</u>	<u>(4,822)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>17,832</u></u>	<u><u>16,389</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	18	236		(3)
Restricted fixed asset funds	18	21,825		21,134
Restricted income funds excluding pension liability		22,061		21,131
Pension reserve		<u>(4,413)</u>		<u>(4,822)</u>
Total restricted income funds			<u>17,648</u>	<u>16,309</u>
Unrestricted income funds	18		<u>184</u>	<u>80</u>
TOTAL FUNDS			<u><u>17,832</u></u>	<u><u>16,389</u></u>

The financial statements on pages 26 to 51 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:



S Kitchman
Chair

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	831	590
Cash flows from investing activities:			
Dividends, interest and rents from investments		4	1
Purchase of tangible fixed assets		(721)	(219)
Capital grants from DfE Group		1,158	369
Donated fixed assets		-	72
Cash transferred on conversion		-	253
Net cash provided by investing activities		441	476
Cash flows from financing activities:			
Repayments of borrowings		(37)	(23)
Cash inflows from new borrowing		-	136
Net cash (used in)/provided by financing activities		(37)	113
Change in cash and cash equivalents in the year		1,235	1,179
Cash and cash equivalents brought forward		1,179	-
Cash and cash equivalents carried forward	21	2,414	1,179

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hadrian Learning Trust constitutes a public benefit entity as defined by FRS 102.

1.2 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 Department for Education Group.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated.

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

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

Where assets 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 trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold property	-	Over 50 years
Long-term leasehold land	-	Not depreciated
Fixtures and fittings	-	Over 5 years
Motor vehicles	-	Over 5 years
Computer equipment	-	Over 5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.7 INTEREST RECEIVABLE

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

1.8 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 STOCKS AND WORK IN PROGRESS

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

1.10 DEBTORS

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

1.11 CASH AT BANK AND IN HAND

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

1.12 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.14 TAXATION

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

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 PENSIONS

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. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.16 AGENCY ARRANGEMENTS

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 26.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.17 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgment:

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £521,000.

Land and buildings – Land is held under a 125 year lease from Northumberland County Council. These assets are included on the Balance Sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy trust could use them without major modification.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority on conversion	-	-	-	-	15,468
Other donations	24	-	-	24	23
Capital Grants	-	-	1,158	1,158	369
Donated fixed assets	-	-	-	-	72
Subtotal	24	-	1,158	1,182	464
	24	-	1,158	1,182	15,932
Total 2017	(40)	(5,617)	21,589	15,932	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,608	7,608	7,652
Pupil Premium	-	214	214	203
Other DfE/ESFA grants	-	56	56	46
	-	7,878	7,878	7,901
Other government grants				
SEN	-	177	177	184
Other Government grants	-	12	12	1
	-	189	189	185
	-	8,067	8,067	8,086
Total 2017	-	8,086	8,086	

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Sundry income	156	-	156	176
Lettings	89	-	89	91
Uniform income	2	-	2	4
School Trips	243	-	243	282
Supply teacher insurance	36	-	36	107
Catering	428	-	428	409
	<u>954</u>	<u>-</u>	<u>954</u>	<u>1,069</u>
Total 2017	<u>1,069</u>	<u>-</u>	<u>1,069</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income	<u>4</u>	<u>-</u>	<u>4</u>	<u>1</u>
Total 2017	<u>1</u>	<u>-</u>	<u>1</u>	

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. CHARITABLE ACTIVITIES

	2018 £000	2017 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	4,611	4,743
National insurance	425	440
Pension cost	840	939
Educational supplies	157	133
Examination fees	176	173
Staff development	9	4
Technology costs	3	-
Other direct costs	402	471
Sub total	6,623	6,903
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	852	855
National insurance	65	55
Pension cost	226	216
Depreciation	521	501
Net interest cost on pension scheme	116	106
Technology costs	90	74
Recruitment and support	20	16
Maintenance of premises and equipment	117	144
Cleaning	27	30
Rates	95	92
Energy	156	159
Insurance	43	41
Transport	10	14
Catering	228	211
Occupancy costs	21	23
Bank interest and charges	1	1
Other support costs	105	101
Governance costs	34	47
Sub total	2,727	2,686
Total	9,350	9,589

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Academy's educational operations:					
Direct costs	5,876	-	747	6,623	6,903
Support costs	1,143	909	675	2,727	2,686
	<u>7,019</u>	<u>909</u>	<u>1,422</u>	<u>9,350</u>	<u>9,589</u>
Total 2017	<u>7,248</u>	<u>967</u>	<u>1,374</u>	<u>9,589</u>	

In 2018, of the total expenditure, £878,000 (2017 : £950,000) was to unrestricted funds, £7,951,000 (2017 : £8,138,000) was to restricted funds and £521,000 (2017 : £501,000) was to restricted fixed asset funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments during the year.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	521	501
Auditors' remuneration - audit	13	14
Auditors' remuneration - other services	4	4
Operating lease rentals	<u>11</u>	<u>9</u>

HADRIAN LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	5,261	5,402
Social security costs	490	495
Operating costs of defined benefit pension schemes	1,066	1,155
	<hr/> 6,817	<hr/> 7,052
Supply staff costs - teaching	166	172
Staff restructuring costs	36	24
	<hr/> <hr/> 7,019	<hr/> <hr/> 7,248

Included in operating costs of defined benefit pension schemes is a debit of £61,000 (2017 : £125,000) relating to the pension deficit actuarial adjustment.

	2018 £000	2017 £000
Redundancy payments	11	-
Severance payments	25	24
	<hr/> 36	<hr/> 24
	<hr/> <hr/>	<hr/> <hr/>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	103	105
Administration & Support	121	125
Management	9	10
	<hr/> 233	<hr/> 240
	<hr/> <hr/>	<hr/> <hr/>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	2
In the band £100,001 - £110,000	1	1

The key management personnel of the academy trust comprise the Trustees and the executive officers as listed on page 1. The total amount of employee benefits (including employer national insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £289,000 (2017 : £300,000).

HADRIAN LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. CENTRAL SERVICES

No central services were provided by the academy trust to its academies during the year and no central charges arose.

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£000	£000
G Atkins (Executive Headteacher and Trustee)	Remuneration	100-105	100-105
	Pension contributions paid	15-20	15-20
B Hignett (Member of staff and Trustee)	Remuneration	5-10	5-10
	Pension contributions paid	0-5	0-5

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the period ended 31 August 2018, no Trustees received any reimbursement of expenses.

HADRIAN LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TANGIBLE FIXED ASSETS

	Leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
COST						
At 1 September 2017	20,492	471	297	11	74	21,345
Additions	-	40	13	-	668	721
At 31 August 2018	20,492	511	310	11	742	22,066
DEPRECIATION						
At 1 September 2017	359	84	56	2	-	501
Charge for the year	360	99	60	2	-	521
At 31 August 2018	719	183	116	4	-	1,022
NET BOOK VALUE						
At 31 August 2018	19,773	328	194	7	742	21,044
At 31 August 2017	20,133	387	241	9	74	20,844

14. STOCKS

	2018 £000	2017 £000
Cleaning	2	3
Catering	7	5
Stationery	12	7
	<u>21</u>	<u>15</u>

15. DEBTORS

	2018 £000	2017 £000
VAT repayable	474	178
Other debtors	18	-
Prepayments and accrued income	274	171
	<u>766</u>	<u>349</u>

HADRIAN LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Trade creditors	259	5
Other taxation and social security	81	42
Other creditors	1,145	563
Accruals and deferred income	484	498
	<u>1,969</u>	<u>1,108</u>

Included within other creditors are loans of £45,000 and £1,000 from Education and Skills Funding Agency which are provided on the following terms:

Interest free loan repayable through GAG in monthly instalments of £3,771 from March 2017.

Salix loan repayable through Capital Improvement Fund in monthly instalments of £74 from January 2019.

	2018 £000	2017 £000
DEFERRED INCOME		
Deferred income at 1 September 2017	51	-
Resources deferred during the year	97	51
Amounts released from previous years	(51)	-
	<u>97</u>	<u>51</u>
Deferred income at 31 August 2018	<u>97</u>	<u>51</u>

At the balance sheet date the academy trust was holding deferred income relating to funds received in advance for trips, school meals and lettings relating to the academic year 2018/19.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £000	2017 £000
Other creditors	31	68
	<u>31</u>	<u>68</u>

Included within other creditors are loans of £23,000 and £8,000 from Education and Skills Funding Agency which are provided on the following terms:

Interest free loan repayable through GAG in monthly instalments of £3,771 from March 2017.

Salix loan repayable through Capital Improvement Fund in monthly instalments of £74 from January 2019.

HADRIAN LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
UNRESTRICTED FUNDS						
Unrestricted fund	80	982	(878)	-	-	184
RESTRICTED FUNDS						
General Annual Grant (GAG)	110	7,608	(7,355)	(54)	-	309
Pupil Premium	-	226	(226)	-	-	-
Other DfE/ESFA grants	-	56	(52)	-	-	4
SEN	-	177	(177)	-	-	-
Loans Inherited On Conversion	(113)	-	45	-	-	(68)
Other loans	-	-	(9)	-	-	(9)
Pension reserve	(4,822)	-	(177)	-	586	(4,413)
	(4,825)	8,067	(7,951)	(54)	586	(4,177)
RESTRICTED FIXED ASSET FUNDS						
Assets Donated On Conversion	20,638	-	(487)	-	-	20,151
ESFA Capital grants	389	1,158	(4)	-	-	1,543
GAG Capital Expenditure	40	-	(16)	54	-	78
Other Government grants	67	-	(14)	-	-	53
	21,134	1,158	(521)	54	-	21,825
Total restricted funds	16,309	9,225	(8,472)	-	586	17,648
Total of funds	16,389	10,207	(9,350)	-	586	17,832

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

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

Pupil Premium is additional funding to be spent as the academy trust sees fit to support deprived students.

Other DfE/ESFA Grants includes rates relief and other ESFA grants to be used for educational purposes.

SEN funding relates to special educational needs.

Other Government grants includes LAC funding from the Local Authority.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

Unrestricted funds can be used for any purpose, at the the discretion of the Trustees, within the objects of the academy trust.

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 at 31 August 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Hexham Middle School	174	66
Queen Elizabeth High School	246	11
Total before fixed asset fund and pension reserve	420	77
Restricted fixed asset fund	21,825	21,134
Pension reserve	(4,413)	(4,822)
Total	17,832	16,389

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000	Total 2017 £000
Hexham Middle School	1,380	347	40	372	2,139	2,203
Queen Elizabeth High School	4,496	796	117	1,281	6,690	6,885
	5,876	1,143	157	1,653	8,829	9,088

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 27 July 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Unrestricted fund	-	1,030	(950)	-	-	80
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	7,652	(7,473)	(69)	-	110
Pupil Premium	-	203	(203)	-	-	-
Other DfE/ESFA grants	-	46	(46)	-	-	-
SEN	-	184	(184)	-	-	-
Other Government grants	-	1	(1)	-	-	-
Loans Inherited On Conversion	-	(136)	-	23	-	(113)
Pension reserve	-	(5,481)	(231)	-	890	(4,822)
	-	2,469	(8,138)	(46)	890	(4,825)
RESTRICTED FIXED ASSET FUNDS						
Assets Donated On Conversion	-	21,148	(487)	(23)	-	20,638
ESFA Capital grants	-	369	(3)	23	-	389
GAG Capital Expenditure	-	-	(6)	46	-	40
Other Government grants	-	72	(5)	-	-	67
	-	21,589	(501)	46	-	21,134
Total restricted funds	-	24,058	(8,639)	-	890	16,309
Total of funds	-	25,088	(9,589)	-	890	16,389

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	21,044	21,044
Current assets	184	2,236	781	3,201
Creditors due within one year	-	(1,969)	-	(1,969)
Creditors due in more than one year	-	(31)	-	(31)
Provisions for liabilities and charges	-	(4,413)	-	(4,413)
	<u>184</u>	<u>(4,177)</u>	<u>21,825</u>	<u>17,832</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	20,844	20,844
Current assets	1,143	110	290	1,543
Creditors due within one year	(1,063)	(45)	-	(1,108)
Creditors due in more than one year	-	(68)	-	(68)
Provisions for liabilities and charges	-	(4,822)	-	(4,822)
	<u>80</u>	<u>(4,825)</u>	<u>21,134</u>	<u>16,389</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net income for the year (as per Statement of Financial Activities)	857	15,499
Adjustment for:		
Depreciation charges	521	501
Dividends, interest and rents from investments	(4)	(1)
Increase in stocks	(6)	(15)
Increase in debtors	(417)	(349)
Increase in creditors	898	1,063
Capital grants from DfE and other capital income	(1,158)	(369)
Defined benefit pension scheme obligation inherited	-	5,481
Defined benefit pension scheme cost less contributions payable	61	125
Defined benefit pension scheme finance cost	79	106
Fixed assets from local authority on conversion	-	(21,126)
Donated fixed assets	-	(72)
Cash transferred on conversion	-	(253)
Net cash provided by operating activities	<u>831</u>	<u>590</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Cash in hand	2,414	1,179
Total	<u>2,414</u>	<u>1,179</u>

22. CAPITAL COMMITMENTS

At 31 August 2018 the academy trust had capital commitments as follows:

	2018 £000	2017 £000
Contracted for but not provided in these financial statements	<u>712</u>	<u>353</u>

23. PENSION COMMITMENTS

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northumberland County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.

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23. PENSION COMMITMENTS (continued)

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £618,000 (2017 - £646,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £465,000 (2017 - £457,000), of which employer's contributions totalled £389,000 (2017 - £384,000) and employees' contributions totalled £76,000 (2017 - £73,000). The agreed contribution rates for future years are 19.30% for employers and 5.5 - 12.5% 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.

The entity has entered into an agreement with the Trustees to make additional contributions in addition to normal funding levels. It is anticipated that that the additional contributions will be made for 3 years.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.50 %	3.50 %
Rate of increase for pensions in payment / inflation	2.00 %	2.00 %
Inflation assumption (CPI)	2.00 %	2.00 %
Commutation of pensions to lump sums	75.00 %	75.00 %

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23. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	22.9	22.8
Females	25.0	24.9
Retiring in 20 years		
Males	25.1	25.0
Females	27.3	27.2

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	6,796	6,637
Discount rate -0.1%	7,110	6,944
Mortality assumption - 1 year increase	6,751	6,586
Mortality assumption - 1 year decrease	7,152	6,994
CPI rate +0.1%	7,045	6,881
CPI rate -0.1%	6,858	6,698

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	1,688	1,324
Property	101	79
Corporate bonds	187	151
Government bonds	462	336
Cash	-	2
Other	100	75
Total market value of assets	<u>2,538</u>	<u>1,967</u>

The actual return on scheme assets was £118,000 (2017 - £192,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(450)	(509)
Interest income	55	31
Interest cost	(171)	(137)
Total	<u>(566)</u>	<u>(615)</u>

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23. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2018 £000	2017 £000
Opening defined benefit obligation	6,789	-
Upon conversion	-	6,811
Current service cost	450	509
Interest cost	171	137
Employee contributions	76	73
Actuarial (gains) / losses	(523)	(729)
Benefits paid	(12)	(12)
	<hr/>	<hr/>
Closing defined benefit obligation	6,951	6,789
	<hr/>	<hr/>

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

	2018 £000	2017 £000
Opening fair value of scheme assets	1,967	-
Upon conversion	-	1,330
Interest income on assets	55	31
Actuarial gains / (losses)	63	161
Employer contributions	389	384
Employee contributions	76	73
Benefits paid	(12)	(12)
	<hr/>	<hr/>
Closing fair value of scheme assets	2,538	1,967
	<hr/>	<hr/>

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
AMOUNTS PAYABLE:		
Within 1 year	11	11
Between 1 and 5 years	18	28
	<hr/>	<hr/>
Total	29	39
	<hr/>	<hr/>

HADRIAN LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Théâtre Sans Frontières Ltd - a charitable company in which S C Kemp (Trustee of the academy trust) is a Joint Artistic Director:

- The academy trust purchased a drama course for £350 (2017 : £60) from the charitable company during the period. There were no amounts outstanding at 31 August 2018 (2017 : £Nil).
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2017.

26. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £23,000 (2017 : £9,000) and disbursed £29,000 (2017 : £29,000) from the fund. An amount of £34,000 (2017 : £40,000) is included in other creditors relating to undistributed funds.