

Company Registration Number: 10299446 (England & Wales)

**HADRIAN LEARNING TRUST**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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**HADRIAN LEARNING TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

L Charlton  
D Harris (appointed 25 March 2022)  
D Hartland (resigned 22 September 2022)  
V S Johnston (appointed 22 September 2022)  
S Kemp  
S Todd (resigned 25 May 2022)  
P Wood

**Trustees**

D Hartland, Chair until 22 September 2022  
V S Johnston, Chair from 22 September 2022 (resigned 13 December 2021, reappointed 18 March 2022)  
S C Kemp, Vice Chair  
G D Atkins, Executive Headteacher and Accounting Officer  
C A Brown  
K Chaplin, (resigned 13 December 2021, reappointed 18 March 2022, resigned 22 July 2022)  
K Cowie, (resigned 22 September 2021, reappointed 18 March 2022)  
P Ferguson  
B M Hignett  
J M Holmes (resigned 22 July 2022)

**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  
N Seaton, Head of School, QE  
L Watters, Head of School, HMS  
S Sparke, Chief Financial Officer

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Independent auditors**

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

**Bankers**

Lloyds Bank plc  
Priestpople  
Hexham  
NE46 1PA

**Solicitors**

Browne Jacobson LLP  
3rd Floor  
No. 1 Spinningfields  
1 Hardman Square  
Spinningfields  
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 2022**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year/period 1 September 2021 to 31 August 2022. 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 and Queen Elizabeth High School. Its academies have a combined pupil capacity of 1,908 and had a roll of 1,811 in the school census in October 2021.

**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 operates as Hadrian Learning Trust.

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

**Members' liability**

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

**Trustees' indemnities**

The academy has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 12.

**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 Articles 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 academy trust Board. The Trust Board may also appoint Co-opted Trustees.

The academy trust Board seeks to have a balanced mix of the skills, experience and knowledge needed to carry out its role, informed by a periodic formal skills audits, and informal reviews of skill gaps upon resignation of a Trustee. Where any skill 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 academy trust Board also uses the services of Inspiring Governance, 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 Executive Headteacher 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 2022**

**Structure, governance and management (continued)**

**Policies 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 are 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 (Academy Trust Handbook from September 2021), 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 or to reflect changes in such areas as educational assessment or the Academies Financial Handbook/Academy Trust 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 half termly 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 and a safeguarding group:

- 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 once 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 2022**

**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 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**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering the period starting from 1 April each year and as follows:

**Relevant union officials**

Number of employees who were relevant union officials during the year	7
Full-time equivalent employee number	7

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	3
1%-50%	4
51%-99%	-
100%	-
<b>Percentage of pay bill spent on facility time</b>	<b>£000</b>
Total cost of facility time	3
Total pay bill	7,965
Percentage of total pay bill spent on facility time	0.04 %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	100.00 %
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**HADRIAN LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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

**Objectives, strategies and activities**

The main objectives of Hadrian Learning Trust going into academic year 2021-22 were:

- to improve educational outcomes and experience through developing the curriculum and the quality of its implementation, and taking advantage of the opportunities provided by the co-location of our schools;
- to determine a medium term strategic plan for the Trust in light of government intentions for the future of the school system.

In fulfilment of the objects, the academy trust's principal activities in the year ended 31 August 2022 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.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report**

**Achievements and performance**

The Trustees are pleased to report that the Trust continues to deliver good educational outcomes, despite the impact of the pandemic on pupils and students, and has taken possession of modern purpose-built buildings. Trustees are satisfied with the reserves position at the end of the period.

Our focus continues to be on improving the educational experience of our young people, recognising that for some years to come they will continue to have had their education and development impacted by the pandemic, and that some will be impacted by the current cost of living crisis. We are also mindful of the financial challenges facing schools and are prepared to utilise some of the reserves to ensure we continue to deliver good outcomes. We will continue to monitor the financial position on a regular basis.

**Key Performance Indicators**

The key 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**

The start of the 2021-22 academic year for both schools was affected by the delayed handover of the site, following the building of new facilities and refurbishment of some existing ones from the main contractor, with students not able to be physically on site until 20 September. School leaders and wider staff worked extremely well to ensure that the contingency arrangements – for QE pupils use of Hexham racecourse, Hexham Abbey and remote learning – were as good as they were. This provision had to be combined with staff only having small windows in which to come into the new facilities in order to unpack and set-up, with access very tightly restricted to specified department areas.

Welcoming the pupils and students back fully on 20 September was a joy and they very quickly settled into their respective new homes, with real positivity. Staff settled well too, although there was undoubted frustration at the extensive snagging requirements needing to be addressed.

Operationally, effective classroom teaching and learning got into gear immediately on full return, and new systems around student movement and social times worked smoothly in that initial return period due to effective planning.

One significant feature of the move to co-location was a re-shaping of the staffing structure designed to capitalise on the opportunities provided. Given that a cross-trust arrangement had long been established in most of the support services, change was most pronounced in subject and senior leadership. Subject leaders led their subjects across both schools, with the primary aim of ensuring curriculum coherence across the key stages. Senior leaders came together as a Trust senior team – again to ensure alignment of approaches and thinking – but retained school-specific leadership teams to reflect the distinct circumstances of each school.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report (continued)**

**Achievements and performance (continued)**

A key priority going into 2021-22 was to get fully back on track with our efforts to improve the quality of education: in other words, the quality of curriculum intent, its implementation by teachers and its impact. Work on this really began in earnest in 2019 following the late spring inspections of both schools, where our schools began to re-think individual subject curriculum planning, particularly across key stage 3 involving the other middle schools, and began work to embed our newly-determined '10 elements of great teaching'. However, progress was badly affected as a result of the pandemic therefore there was a need to get our improvement efforts in this whole area quickly back-on-track in 2021-22.

Our initial focus was on professional development around the 10 elements, targeting four in particular that evidence tells us are especially beneficial for disadvantaged learners, which we then focused upon through our quality of education review process. This process, whereby senior and curriculum leaders conduct a fairly thorough review of learning in each subject area with a view to identifying aspects for improvement, contributed to teacher appraisal and the objectives individuals would be focused upon.

Alongside this process over the course of the year, significant attention was given to where each subject was at with its curriculum planning, a need given impetus due to the structural changes to the key stage 3 curriculum that were determined by the Board during the year and come into effect in September 2022. Along with HMS, QE engaged with both the School Improvement Partner and some highly regarded subject curriculum experts to do a combination of general and bespoke training with curriculum leaders and wider staff (including those from the wider partnership, with a focus on geography, history and reading). Subject teams were then given time to essentially re-do their key stage 3 planning to meet certain criteria, which were then presented to senior leaders towards the end of the year, with it being clear that the quality of planning was in a strong position. Further developing the quality of curriculum planning remains an ongoing area of focus going into the new academic year for both schools, particularly at key stages 4 and 5 at QE.

Although schooling in 2021-22 was largely back to normal following the year-and-a-half of pandemic disruption, relatively large numbers of young people still had covid-related absence, and needed additional support as a result of that and previous missed learning. At HMS a comprehensive package of support and intervention was implemented, building on previous good provision, including targeted use of Reading Plus, one-to-one reading, small group reading, literacy group, fresh start initiative, rapid recovery sessions and various maths small group interventions, e.g. focusing on arithmetic, reasoning, etc. At QE, this took the form of adapted subject curricula, more emphasis on low stakes retention activity, and targeted intervention, particularly in maths and English using teachers and higher level teaching assistants we recruited using additional government funding. Some support was sourced through the National Tuition Programme, particularly in science, but this was not deemed particularly effective for various practical reasons.

The personal development of pupils and students across five key areas – PSHE/RSE, careers education, building character and skills, citizenship education and participation through enrichment and extra-curricular activity – continued to be a strength at both schools throughout 2021-22, as evidenced through pupils and students' ability to articulate their knowledge and awareness of key issues and themes, and stemming from a strong and well thought-through form-time, assembly, drop-down day and PSHE/RSE programme. Within this, there was a continued focus on educating and supporting our young people in relation to them staying safe and around their physical health and wellbeing.

The on- and off-site extra-curricular and enrichment offer began to resemble what was in place before the pandemic, with the number and variety of lunchtime clubs actually better than before. At HMS, all pupils had the opportunity to take part in a residential trip, with financial support provided for some. Key stage 2 pupils visited Whithaugh Park in Newcastle during the summer term. Other trips included the High Borran residential for year 8 and a trip to London for year 7. The successes of our teams in football and rugby also saw pupils attending residential events in Greater Manchester and Warrington. Extra-curricular clubs included book club, STEM club, languages club, forest school, art club, board game & chess club, Disney club, Lego club, Mandarin club, yoga club, maths club, science club, dance club, dungeons and dragons club, film club, sugarcraft club and homework club. Music groups included choir, pop choir, rock band and orchestra, and sports clubs included football, dodgeball, table tennis, hockey, rugby, badminton, benchball and trampolining.



**HADRIAN LEARNING TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report (continued)**

**Achievements and performance (continued)**

At QE, a number of subject-specific educational visits took place, including in geography, science, art, drama, music, history, sport and languages, including a German exchange. Extra-curricular clubs included the human rights group, LGBT+ group, art club, classics club, green team, debate club, creative writing and reading club, Lego robotics club, Warhammer club, racing club, history film club, improv group, playwrights' society and enterprise club. Music groups included choir, jazz band, Northumbrian pipes and the Hydrohaulics folk group. Sports clubs included rowing, rounders, handball, hockey, boxing, fitness, cricket, frisbee, tennis, rugby, badminton, table tennis, basketball, trampolining and football.

We could not deliver the education and pastoral services to our students without the hard work and dedication of our senior leadership team, pastoral team, curriculum leaders, teachers and support staff who work incredibly hard, and have done so in challenging conditions, throughout the period and would like to take this opportunity to record our thanks to them. We also recognise the support of our parents and the wider community in delivering these outcomes for our students and pupils and we are grateful for their ongoing support as well.

**Key Stage 2 Outcomes**

	HMS 2018	HMS 2019	HMS 2022	NAT 2022
<b>READING</b>				
Expected standard %	82	82	<b>75</b>	74
Greater depth standard %	42	35	<b>35</b>	tbc
<b>WRITING</b>				
Expected standard %	90	89	<b>81</b>	69
Greater depth standard %	30	29	<b>19</b>	tbc
<b>GRAMMAR, PUNCTUATION &amp; SPELLING</b>				
Expected standard %	85	87	<b>71</b>	72
Greater depth standard %	43	33	<b>31</b>	tbc
<b>MATHS</b>				
Expected standard %	79	87	<b>84</b>	71
Greater depth standard %	37	30	<b>28</b>	tbc
<b>RWM COMBINED</b>				
Expected standard %	76	77	<b>67</b>	59
Greater depth standard %	18	17	<b>12</b>	tbc

**Note that SATs were not undertaken in 2020 and 2021 as a result of the pandemic.**

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Key Stage 4 Outcomes**

	2018		2019		2020		2021		2022	
KS4	QEHS	Nat	QEHS	Nat	QEHS	Nat	QEHS	Nat	QEHS	Nat
Progress 8	0.63	-0.02	0.29	-0.03	N/a	N/a	N/a	N/a	*Not available	*Not available
Attainment 8	57.1	46.5	53.3	46.7	58.0	50.2	58.0	50.9	54.0	
%9-5 Eng & maths	68%	43%	59%	43%	68%	49.9%	66%	51.9%	59%	
% 9-4 E&M	80%	64%	76%	65%	84%	*	83%	*	80%	
EBacc APS	4.91	4.04	4.54	4.07	4.97	4.38	5.03	4.45		

With regards to destinations, provisional data for 2021-22 indicates that 58% of Year 11 progressed to sixth form study, 33% went onto further education at college and 8% went onto apprenticeships. <1% (2 students) were not in education, employment or training at the time of writing, significantly below the national NEET figure.

**Provisional Key Stage 5 Outcomes**

	2018		2019		2020		2021		2022	
16-19	QEHS	National	QEHS	National	QEHS	National	QEHS	National	QEHS	National
<b>A Level</b>										
APS per entry	40.78	33.33	39.41	33.77	42.70	39.51	43.2	41.60	43.2	
Average grade	B	C+	B	C+	B+	B	B+	B	B+	
Value added	+0.19	0	+0.04	0	N/a	N/a	N/a	N/a	N/a	N/a
<b>Applied General</b>										
APS per entry	31.7	28.47	35.51	28.37	32.30	31.25	37.5	32.82	33.4	
Average grade	Dist-	Merit+	Dist-	Merit+	Dist-	Dist-	Dist+	Dist-	Dist	
Value added	+0.07	0	+0.29	0	N/a	N/a	N/a	N/a	N/a	N/a

With regards to destinations, 70% of the 2021-22 cohort progressed to university, 9 of whom have deferred entry. 7 students are applying for a 2023 place. 4% went into employment, 8% went onto an art foundation course, 4.5% pursued apprenticeships and 9% took a gap year prior to either university or work. The destinations of 3% of the cohort remain unknown at the time of writing.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Going concern**

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

**Financial review**

Most of the academy trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also received grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (FRS 102), such grants are shown under 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.

Capital income of £1,175,000 has also been shown in the Statement of Financial Activities representing the value of assets for the new school buildings, which is shown as a donation from the local authority and the ESFA's Priority Schools Building Programme.

In addition, unrestricted income comprises self-generated revenue such as lettings and departmental sales.

During the year ended 31 August 2022, total expenditure of £12,419,000 was in excess of recurrent grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year excluding pension reserve movements and restricted fixed asset funds was £(285,000) .

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

At 31 August 2022 net book value of fixed assets was £43,106,000 and movements in tangible fixed assets are shown in note 14 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of LGPS pension scheme, resulting in a deficit of £1,459,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2022 of £43,350,000 comprising £1,236,000 of restricted general funds, £43,106,000 of restricted fixed asset funds, a pension deficit of £1,459,000 and £467,000 of unrestricted funds.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**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 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 (£905,000) across the academy trust.

The academy trust's current level of free reserves are in surplus by £467,000. The balance on restricted general funds, excluding pension reserve, plus the balance on unrestricted funds at 31 August 2022 is a net surplus of £1,703,000 and therefore is considered to be above the level of reserves required for the ongoing needs of the academy trust. The academy trust plans to use some of the excess reserves to fund staff pay increases and to cover inflation of other costs.

The Trustees continue to consider additional activities related to the academy trust's objectives to which the 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.

**Investment policy**

The academy trust invests surplus funds through cash deposits at market rate accounts. 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 principal risks and uncertainties are centred on changes in the level of funding from DfE/ESFA. In addition, the academy trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust Balance Sheet.

The 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
- 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.

The academy trust has fully implemented the requirements of the Safer Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

The academy trust is subject to a number of risks and uncertainties in common with other academies. The academy trust has in place procedures to identify and mitigate financial risks. A comprehensive list of key risks is 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. 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 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.

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 request 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 outcomes and experience through developing the curriculum and the quality of its implementation, and taking advantage of the opportunities provided by the co-location of our schools;
- to determine a medium term strategic plan for the Trust in light of government intentions for the future of the school system.

In order to support the above objectives, the Trust worked closely with our school improvement partner and recognised curriculum experts to develop the quality of curriculum planning across all subjects and key stages. This work continues into academic year 2022-23, with an increasing focus on the quality of curriculum implementation.

A new staffing structure was established to enable the potential benefits of co-location to be capitalised upon, particularly in relation to curriculum leadership, and this has been further adapted for academic year 2022-23 to ensure that the progression through each subject curriculum by pupils and students is well-planned, smooth and coherent.

In recognition of the Government's intentions for the school system, the Trust will continue to build collaborative local and regional partnerships with other schools and MATs, in the interests of the young people who attend our schools.

### **Funds held as custodian on behalf of others**

There are no funds held as Custodian Trustee on behalf of others.

**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**Auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 24 November 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'V S Johnston', with a long, sweeping flourish extending to the right.

**V S Johnston**  
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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 10 times during the year.

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

Trustee	Meetings attended	Out of a possible
D Hartland, Chair until 22 September	9	10
V S Johnston, Chair from 22 September	6	8
S C Kemp, Vice Chair	8	10
G D Atkins, Executive Headteacher and Accounting Officer	10	10
K Chaplin, (resigned 13 December 2021, reappointed 18 March 2022, resigned 22 July 2022)	6	8
P Ferguson	7	10
C A Brown	9	10
B M Hignett	7	10
K Cowie, (resigned 22 September 2021, reappointed 18 March 2022)	2	4
J M Holmes	3	10

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

Following trustee resignations, gaps in the areas of finance and education were identified. As a result two new trustees were appointed with high levels of skills, knowledge and experience in these areas.

The Trust Board will continue to evaluate the effectiveness of governance arrangements during 2022/23.

**Conflicts of interest**

Trustees complete an annual Register of Interests which is circulated at or prior to the meeting within the Autumn Term. Interests are declared at each individual meeting held throughout the year. A register is maintained and held within the academy and is published on the school website. Any Trustee who is new to the academy or is absent must complete the Register as soon as possible. The academy will declare or seek approval for an agreement or contract with a related party, before it's confirmed with the supplier.

**HADRIAN LEARNING TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to advise the Trust Board on financial matters, and ensure adherence to the Academies Financial Handbook/Academy Trust 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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
C A Brown, ( Chair until 20 October 2021 )	4	4
G D Atkins, Executive Headteacher and Accounting Officer	4	4
P Ferguson ( Chair from 20 October 2021)	4	4
V Johnston	4	4

**Review of value for money**

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees 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:

**Seeking to take advantage of co-location to improve systems and benefit from economies of scale**

Co-location of our two schools on the one site enables many aspects of provision to be led and managed across both. Our combined purchasing power, although a feature of our previous arrangement on separate sites up to a point, has been enhanced. Operationally, we have been able to align more systems thus generating greater efficiency than was the case previously.

**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, staff have sought to learn from others who may be doing better in relation to particular aspects. In the past year, this has included liaising with colleagues from other schools on curriculum planning and attendance management. We have also convened training sessions for the Hexham Partnership of schools around reading and humanities, either at no cost or by benefiting from an economy of scale.

**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**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money (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 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 agreed upon approval levels. During the year, significant procurement exercises were carried out for the purchase of energy, minibuses, furniture, photocopiers and CCTV.

**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 year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and 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 Board of Trustees has decided to buy-in an internal audit service from Armstrong Watson LLP

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:

- Budgets, forecasting and funding requirements
- Risk Management & Business Continuity processes and procedures
- Critical business processes review, including monthly close down procedures and fraud, safeguarding and whistleblowing
- Academy Trust Handbook compliance

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

The schedule of work has been delivered 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 Executive Headteacher 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 internal auditor
- the school resource management self-assessment tool;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;

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 Board of Trustees on 24 November 2022 and signed on their behalf by:



**V S Johnston**  
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 Academy Trust Handbook 2021.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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: 24 November 2022

**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**V S Johnston**  
Chair

Date: 24 November 2022

**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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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**

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

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

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



**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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

**Other information**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

**Responsibilities of trustees**

As explained more fully in the 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 (CONTINUED)**

**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.

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

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Trust. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of noncompliance throughout the audit. We determined the most significant of these to be the regulations set out by the DfE/ESFA. Our audit focuses on financial matters as set out in our regularity opinion. Other key laws and regulations included safeguarding, Health & Safety, GDPR and employment law
- Enquiry of trustees and management as to policies and procedures to ensure compliance and any known instances of non-compliance
- Review of board minutes and correspondence with regulators
- Enquiry of trustees and management as to areas of the financial statements susceptible to fraud and how these risks are managed
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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



**HADRIAN LEARNING TRUST**  
(A Company Limited by Guarantee)

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

**Use of our report**

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 BFP DChA (Senior Statutory Auditor)**

for and on behalf of

**Clive Owen LLP**

Chartered Accountants

Statutory Auditors

140 Coniscliffe Road

Darlington

County Durham

DL3 7RT

Date: 5 December 2022

**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HADRIAN LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 16 September 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 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 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 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 28 June 2019 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Trustees and Accounting Officer setting out responsibilities;
- Obtain formal letters 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 registers of interests;

**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HADRIAN  
LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

- 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;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has 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

Date: 5 December 2022



**HADRIAN LEARNING TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
<b>Income from:</b>						
Donations and capital grants	3	14	-	1,215	1,229	25,049
Other trading activities	5	222	-	-	222	165
Investments	6	1	-	-	1	1
Charitable activities	4	567	9,761	-	10,328	9,752
<b>Total income</b>		<b>804</b>	<b>9,761</b>	<b>1,215</b>	<b>11,780</b>	<b>34,967</b>
<b>Expenditure on:</b>						
Charitable activities	7	558	10,292	1,569	12,419	17,327
<b>Total expenditure</b>		<b>558</b>	<b>10,292</b>	<b>1,569</b>	<b>12,419</b>	<b>17,327</b>
<b>Net (expenditure)/ income</b>		<b>246</b>	<b>(531)</b>	<b>(354)</b>	<b>(639)</b>	<b>17,640</b>
Transfers between funds	19	-	(262)	262	-	-
<b>Net movement in funds before other recognised gains</b>		<b>246</b>	<b>(793)</b>	<b>(92)</b>	<b>(639)</b>	<b>17,640</b>
<b>Other recognised gains:</b>						
Actuarial gains/(losses) on defined benefit pension schemes	27	4,445	-	-	4,445	65
<b>Net movement in funds</b>		<b>4,691</b>	<b>(793)</b>	<b>(92)</b>	<b>3,806</b>	<b>17,705</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		221	(3,875)	43,198	39,544	21,839
Net movement in funds		4,691	(793)	(92)	3,806	17,705
<b>Total funds carried forward</b>		<b>4,912</b>	<b>(4,668)</b>	<b>43,106</b>	<b>43,350</b>	<b>39,544</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 58 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	14	43,106	43,200
		<u>43,106</u>	<u>43,200</u>
<b>Current assets</b>			
Stocks	15	15	16
Debtors	16	1,377	360
Cash at bank and in hand		1,554	2,488
		<u>2,946</u>	<u>2,864</u>
Creditors: amounts falling due within one year	17	(1,238)	(1,146)
<b>Net current assets</b>		<u>1,708</u>	<u>1,718</u>
<b>Total assets less current liabilities</b>		<u>44,814</u>	<u>44,918</u>
Creditors: amounts falling due after more than one year	18	(5)	(7)
<b>Net assets excluding pension liability</b>		<u>44,809</u>	<u>44,911</u>
Defined benefit pension scheme liability	27	(1,459)	(5,367)
<b>Total net assets</b>		<u><u>43,350</u></u>	<u><u>39,544</u></u>

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

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	43,106	43,198
Restricted income funds	19	1,236	1,492
		<hr/>	<hr/>
Restricted funds excluding pension asset	19	44,342	44,690
Pension reserve	19	(1,459)	(5,367)
		<hr/>	<hr/>
<b>Total restricted funds</b>	19	42,883	39,323
<b>Unrestricted income funds</b>	19	467	221
		<hr/>	<hr/>
<b>Total funds</b>		<u>43,350</u>	<u>39,544</u>

The financial statements on pages 27 to 58 were approved by the Trustees, and authorised for issue on 24 November 2022 and are signed on their behalf, by:

  
**V S Johnston**  
Chair

The notes on pages 31 to 58 form part of these financial statements.

**HADRIAN LEARNING TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £000	2021 £000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	(672)	1,210
<b>Cash flows from investing activities</b>	23	(261)	(629)
<b>Cash flows from financing activities</b>	22	(1)	-
<b>Change in cash and cash equivalents in the year</b>		(934)	581
Cash and cash equivalents at the beginning of the year		2,488	1,907
<b>Cash and cash equivalents at the end of the year</b>	24, 25	<u>1,554</u>	<u>2,488</u>

The notes on pages 31 to 58 form part of these financial statements



**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hadrian Learning Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Fund accounting**

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

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

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

**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**

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

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

Capital grants are recognised 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.

**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

The academy trust is benefiting from the ESFA's Priority Schools Building Programme. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the academy trust controls through lease the site where a development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

- **Donations**

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

- **Other income**

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

- **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

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 Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

**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.

- **Charitable activities**

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

All expenditure is inclusive of irrecoverable VAT.

**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.



**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, 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 buildings	- Over 5-50 years
Leasehold land	- Over 125 years
Furniture and equipment	- Over 5 years
Motor vehicles	- Over 5 years
Computer equipment	- Over 5 years

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

**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.

**1.9 Stocks**

Catering and stationery stocks are valued at the lower of cost or net realisable value.

**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

**1.10 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.

**1.11 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. 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.

**1.12 Taxation**

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

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



**HADRIAN LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**1. Accounting policies (continued)**

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

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

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

**1.14 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the 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 30.

**HADRIAN LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Goodwin

The case related to male spouse or civil partner of a female member is treated in the same way as a same-sex spouse or civil partner. Survivor benefits will be calculated using service from 1 April 1972, or 6 April 1978 if the marriage or civil partnership took place after the last day of pensionable service. This change will apply for deaths in respect of female members which occurred from 5 December 2005, which is the date that same-sex civil partnerships were introduced. This case was brought against the Teachers' Pension Scheme. Actuaries have estimated that the impact of Goodwin indexation to be less than 0.1% of total liabilities. Based on this estimate it would increase liabilities by £6,402 which has been assessed to be immaterial to the financial statements.

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 £1,571,000

Critical areas of judgement:

Land — 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**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**3. Income from donations and capital grants**

	Unrestricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Donations	14	1,063	1,077	25,000
Capital Grants	-	152	152	49
<b>Total 2022</b>	<b>14</b>	<b>1,215</b>	<b>1,229</b>	<b>25,049</b>
<b>Total 2021</b>	<b>23</b>	<b>25,026</b>	<b>25,049</b>	

**4. Funding for the academy trust's educational operations**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
<b>Academy's educational operations</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	9,031	9,031	8,403
Other DfE/ESFA grants				
Pupil Premium	-	194	194	205
PE and Sport Premium	-	17	17	18
Rates	-	38	38	37
Teachers' pay grant	-	27	27	118
Teachers' pension grant	-	76	76	331
Others	-	160	160	5
	-	-	9,543	9,117
<b>Other Government grants</b>				
SEN	-	148	148	135
Local Authority grants	-	36	36	-
	-	184	184	135
<b>Other income from the academy trust's academy's educational operations</b>	567	-	567	291
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	-	-	111
Other DfE/ESFA COVID-19 funding	-	34	34	85
	-	34	34	196

**HADRIAN LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Funding for the academy trust's educational operations (continued)**

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Total funds 2022 £000	Total funds £000
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Coronavirus Job Retention Scheme grant	-	-	-	13
	-	-	-	13
	567	9,761	10,328	9,752
<b>Total 2022</b>	567	9,761	10,328	9,752
Total 2021	291	9,461	9,752	

**5. Income from other trading activities**

	Unrestricted funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Income from facilities and services	16	16	25
Rental and lettings income	81	81	20
Receipts from Supply Teacher Insurance claims	2	2	33
RPA Claims	1	1	24
Other	122	122	63
<b>Total 2022</b>	222	222	165
Total 2021	165	165	



**HADRIAN LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**6. Investment income**

	Total funds 2022 £000	Total funds 2021 £000
Bank interest	1	1
	<u>1</u>	<u>1</u>
Total 2021	<u>1</u>	

**7. Expenditure**

	Staff Costs 2022 £000	Premises 2022 £000	Other 2022 £000	Total 2022 £000	Total 2021 £000
Academy's educational operations:					
Direct costs	7,016	-	1,177	8,193	7,117
Allocated support costs	1,386	2,054	786	4,226	10,210
<b>Total 2022</b>	<u>8,402</u>	<u>2,054</u>	<u>1,963</u>	<u>12,419</u>	<u>17,327</u>
Total 2021	<u>8,064</u>	<u>8,062</u>	<u>1,201</u>	<u>17,327</u>	

In 2022, of the total expenditure, £558,000 (2021: £478,000) was to unrestricted funds, £10,292,000 (2021: £8,994,000) was to restricted funds and £1,569,000 (2021: £7,855,000) 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 total fixed asset losses of £nil (2021 : £7,066).

There were no ex-gratia payments in the period.

**HADRIAN LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2022 £000	Support costs 2022 £000	Total funds 2022 £000	Total funds 2021 £000
Academy's educational operations	8,193	4,226	12,419	17,327
Total 2021	7,117	10,210	17,327	

**Analysis of direct costs**

	Total funds 2022 £000	Total funds 2021 £000
Staff costs	7,465	6,613
Educational supplies	240	166
Examination fees	203	156
Technology costs	5	7
Educational consultancy	107	96
Supply insurance	28	40
Other costs	145	39
<b>Total 2022</b>	<b>8,193</b>	<b>7,117</b>



**HADRIAN LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

**Analysis of support costs**

	Total funds 2022 £000	Total funds 2021 £000
Net interest cost on pension scheme	88	82
Staff costs	1,386	1,451
Depreciation	1,571	7,848
Staff development	41	32
Technology costs	116	117
Staff expenses	1	-
Transport	15	3
Maintenance of premises	81	51
Cleaning	7	14
Other premises cost	87	97
Energy	361	146
Rent & rates	37	37
Insurance	37	38
Operating lease rentals	8	8
Catering	265	165
Legal costs - other	3	2
Other costs	99	95
Governance costs	23	24
<b>Total 2022</b>	<b>4,226</b>	<b>10,210</b>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2022 £000	2021 £000
Operating lease rentals	8	8
Depreciation of tangible fixed assets	1,571	7,848
Fees paid to auditors for:		
- audit	14	14
- other services	1	1

**HADRIAN LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2022 £000	2021 £000
Wages and salaries	6,021	5,679
Social security costs	602	546
Pension costs	1,877	1,656
	<hr/> 8,500	<hr/> 7,881
Agency staff costs	351	174
Staff restructuring costs	-	9
	<hr/> 8,851	<hr/> 8,064

Included in operating costs of defined benefit pension schemes is a charge of £449,000 (2021:£332,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2022 £000	2021 £000
Severance payments	-	9
	<hr/> -	<hr/> 9

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non statutory/non-contractual severance payments totalling £nil (2021: £2,000).

**c. Staff numbers**

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

	2022 No.	2021 No.
Teachers	103	102
Administration & Support	113	111
Management	14	9
	<hr/> 230	<hr/> 222



**HADRIAN LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**10. Staff (continued)**

**d. Higher paid staff**

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	-
In the band £110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

**e. Key management personnel**

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 pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £430,080 (2021 £301,320).

**11. Central services**

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

**12. Trustees' and Officers' insurance**

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

**HADRIAN LEARNING TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**13. Trustees' remuneration and expenses**

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

	2022 £000	2021 £000
G Atkins (Executive Headteacher and Trustee) Remuneration	115 - 120	115 - 120
Pension contributions paid	25 - 30	25 - 30
B Hignett (Member of staff and Trustee) Remuneration	5 - 10	5 - 10
Pension contributions paid	0 - 5	0 - 5

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

**14. Tangible fixed assets**

	Leasehold land and buildings £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>						
At 1 September 2021	22,566	591	612	6	36,456	60,231
Additions	1,176	197	6	98	-	1,477
Disposals	(15,888)	(150)	-	-	-	(16,038)
Transfers between classes	33,877	2,462	117	-	(36,456)	-
At 31 August 2022	41,731	3,100	735	104	-	45,670
<b>Depreciation</b>						
At 1 September 2021	16,365	531	130	5	-	17,031
Charge for the year	920	523	119	9	-	1,571
On disposals	(15,888)	(150)	-	-	-	(16,038)
At 31 August 2022	1,397	904	249	14	-	2,564
<b>Net book value</b>						
At 31 August 2022	40,334	2,196	486	90	-	43,106
At 31 August 2021	6,201	60	482	1	36,456	43,200



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**15. Stocks**

	2022 £000	2021 £000
Cleaning	3	-
Catering	5	3
Stationery	7	13
	<u>15</u>	<u>16</u>

**16. Debtors**

	2022 £000	2021 £000
Trade debtors	7	-
Short term cash investment	1,000	-
Other debtors	-	1
Prepayments and accrued income	238	215
Vat recoverable	132	144
	<u>1,377</u>	<u>360</u>

**17. Creditors: Amounts falling due within one year**

	2022 £000	2021 £000
Trade creditors	194	195
Other taxation and social security	143	130
Other creditors	445	468
Accruals and deferred income	456	353
	<u>1,238</u>	<u>1,146</u>

**DEFERRED INCOME**

	2022 £000	2021 £000
Deferred income at 1 September 2021	67	70
Resources deferred during the year	75	67
Amounts released from previous periods	(67)	(70)
	<u>75</u>	<u>67</u>

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At the balance sheet date the academy trust was holding deferred income relating to funds received in advance for trips and school meals relating to the academic year 2022/23.

**18. Creditors: Amounts falling due after more than one year**

	2022 £000	2021 £000
Other creditors	5	7
	<u>5</u>	<u>7</u>

Included within other creditors is a loan of £6,000 (2021: £7,000) from Education and Skills Funding Agency which is provided on the following terms:

Salix loan repayable through GAG in 6-monthly instalments of £565.50 from March 2020.

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**19. Statement of funds**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>Unrestricted funds</b>						
Unrestricted fund	210	765	(558)	-	-	417
Sinking Fund	11	39	-	-	-	50
	<u>221</u>	<u>804</u>	<u>(558)</u>	<u>-</u>	<u>-</u>	<u>467</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,431	9,031	(8,955)	(265)	-	1,242
Pupil Premium	-	194	(194)	-	-	-
Other DfE/ESFA grants	12	318	(330)	-	-	-
SEN	-	148	(148)	-	-	-
Local Authority grants	-	36	(36)	-	-	-
Other loans	(9)	-	-	3	-	(6)
Covid-19 funding	58	34	(92)	-	-	-
Pension reserve	(5,367)	-	(537)	-	4,445	(1,459)
	<u>(3,875)</u>	<u>9,761</u>	<u>(10,292)</u>	<u>(262)</u>	<u>4,445</u>	<u>(223)</u>
<b>Restricted fixed asset funds</b>						
Assets Donated On Conversion	4,969	-	(86)	-	-	4,883
DfC Capital	160	39	(40)	-	-	159
GAG Capital	617	-	(115)	262	-	764
CIF Capital	1	-	(1)	-	-	-
PSBP	11,174	113	(249)	-	-	11,038
Donated Assets	25,800	1,063	(1,036)	-	-	25,827
Other Capital Grants	477	-	(42)	-	-	435
	<u>43,198</u>	<u>1,215</u>	<u>(1,569)</u>	<u>262</u>	<u>-</u>	<u>43,106</u>



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**19. Statement of funds (continued)**

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
<b>Total Restricted funds</b>	39,323	10,976	(11,861)	-	4,445	42,883
<b>Total funds</b>	39,544	11,780	(12,419)	-	4,445	43,350

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 school sees fit to support deprived students.

Other DfE/ESFA revenue grants relate to PE and Sport Premium, Rates Relief, and Teachers' pay and Teachers' pension grants.

SEN is additional funding for pupils with special educational needs.

Other Government grants relate to Local Authority Pupil Premium.

Other loans relate to a Salix loan received to fund energy efficient expenditure.

COVID-19 funding includes the recovery premium which is used to fund specific activities to support the pupils' education recovery. This also includes the School Led Tutoring grant which is used to support disadvantaged pupils in catch up learning.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 27 .

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.

The Trust has a designated sinking fund to fund the cost of replacing the 3G pitch when it is required.

During the year Northumberland County Council received funding from central government under the Priority School Building Programme. The Council has used this fund together with a contribution from its own capital funding allocation to build the new school building and associated facilities.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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**19. Statement of funds (continued)**

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

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>						
Unrestricted fund	219	480	(478)	(11)	-	210
Sinking Fund	-	-	-	11	-	11
	<u>219</u>	<u>480</u>	<u>(478)</u>	<u>-</u>	<u>-</u>	<u>221</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,207	8,405	(7,594)	(587)	-	1,431
Pupil Premium	-	204	(204)	-	-	-
Other DfE/ESFA grants	-	509	(497)	-	-	12
SEN	-	135	(135)	-	-	-
Other loans	(9)	-	-	-	-	(9)
Covid-19 funding	-	208	(150)	-	-	58
Pension reserve	(5,018)	-	(414)	-	65	(5,367)
	<u>(3,820)</u>	<u>9,461</u>	<u>(8,994)</u>	<u>(587)</u>	<u>65</u>	<u>(3,875)</u>
<b>Restricted fixed asset funds</b>						
Assets Donated On Conversion	11,980	-	(7,011)	-	-	4,969
DfC Capital	212	39	(91)	-	-	160
GAG Capital	58	-	(28)	587	-	617
CIF Capital	646	10	(655)	-	-	1
PSBP	4,008	7,166	-	-	-	11,174
Donated Assets	8,530	17,317	(47)	-	-	25,800
Other Capital Grants	6	494	(23)	-	-	477
	<u>25,440</u>	<u>25,026</u>	<u>(7,855)</u>	<u>587</u>	<u>-</u>	<u>43,198</u>
<b>Total Restricted funds</b>	<u>21,620</u>	<u>34,487</u>	<u>(16,849)</u>	<u>-</u>	<u>65</u>	<u>39,323</u>

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**19. Statement of funds (continued)**

<b>Total funds</b>	21,839	34,967	(17,327)	-	65	39,544
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**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	2022 £000	2021 £000
Hexham Middle School	463	559
Queen Elizabeth High School	1,240	1,154
Total before fixed asset funds and pension reserve	1,703	1,713
Restricted fixed asset fund	43,106	43,198
Pension reserve	(1,459)	(5,367)
<b>Total</b>	43,350	39,544

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2022 £000	Total 2021 £000
Hexham Middle School	1,692	408	82	454	2,636	2,378
Queen Elizabeth High School	5,324	978	151	1,222	7,675	7,101
<b>Academy trust</b>	7,016	1,386	233	1,676	10,311	9,479



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

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

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	43,106	43,106
Current assets	542	2,404	-	2,946
Creditors due within one year	(75)	(1,163)	-	(1,238)
Creditors due in more than one year	-	(5)	-	(5)
Provisions for liabilities and charges	-	(1,459)	-	(1,459)
<b>Total</b>	<b>467</b>	<b>(223)</b>	<b>43,106</b>	<b>43,350</b>

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

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	2	-	43,198	43,200
Current assets	220	2,644	-	2,864
Creditors due within one year	6	(1,152)	-	(1,146)
Creditors due in more than one year	(7)	-	-	(7)
Provisions for liabilities and charges	-	(5,367)	-	(5,367)
<b>Total</b>	<b>221</b>	<b>(3,875)</b>	<b>43,198</b>	<b>39,544</b>

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**21. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	2022 £000	2021 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(639)	17,640
<b>Adjustments for:</b>		
Loss on disposal	-	7
Depreciation	1,571	7,848
Capital grants from DfE and other capital income	(1,215)	(25,026)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	449	332
Defined benefit pension scheme finance cost	88	82
Decrease in stocks	1	(1)
Increase in debtors	(1,017)	(8)
Increase in creditors	91	337
<b>Net cash (used in)/provided by operating activities</b>	<b>(672)</b>	<b>1,210</b>

**22. Cash flows from financing activities**

	2022 £000	2021 £000
Repayments of Salix Loan	(1)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(1)</b>	<b>-</b>

**23. Cash flows from investing activities**

	2022 £000	2021 £000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(1,477)	(25,656)
Capital grants from DfE Group	152	49
Capital funding received from sponsors and others	1,063	24,977
<b>Net cash used in investing activities</b>	<b>(261)</b>	<b>(629)</b>

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**24. Analysis of cash and cash equivalents**

	2022 £000	2021 £000
Cash in hand and at bank	1,554	2,488
<b>Total cash and cash equivalents</b>	<u>1,554</u>	<u>2,488</u>

**25. Analysis of changes in net debt**

	At 1 September 2021 £000	Cash flows £000	At 31 August 2022 £000
Cash at bank and in hand	2,488	(934)	1,554
	<u>2,488</u>	<u>(934)</u>	<u>1,554</u>

**26. Capital commitments**

	2022 £000	2021 £000
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<u>16</u>	<u>24</u>

**27. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £154,000 were payable to the schemes at 31 August 2022 (2021 - £142,000) and are included within creditors.

**Teachers' Pension Scheme**

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

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



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**27. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £996,000 (2021 - £931,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £509,000 (2021 - £461,000), of which employer's contributions totalled £410,000 (2021 - £378,000) and employees' contributions totalled £ 99,000 (2021 - £83,000). The agreed contribution rates for future years are 21.70% 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.

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**27. Pension commitments (continued)**

**Principal actuarial assumptions**

	2022 %	2021 %
Rate of increase in salaries	4.2	4.1
Rate of increase for pensions in payment/inflation	2.7	2.6
Discount rate for scheme liabilities	4.1	1.7
Inflation assumption (CPI)	9.5	2.6
Commutation of pensions to lump sums	75	75

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

	2022 Years	2021 Years
Retiring today		
Males	21.8	21.9
Females	25.0	25.1
Retiring in 20 years		
Males	23.5	23.6
Females	26.7	26.9

**Sensitivity analysis**

	2022 £000	2021 £000
Discount rate +0.1%	(160)	(248)
Discount rate -0.1%	166	258
Mortality assumption - 1 year increase	(179)	(367)
Mortality assumption - 1 year decrease	179	377
CPI rate +0.1%	26	208
CPI rate -0.1%	(26)	(208)

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**27. Pension commitments (continued)**

**Share of scheme assets**

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

	At 31 August 2022 £000	At 31 August 2021 £000
Equities	2,660	2,527
Corporate bonds	919	913
Property	549	363
Government bonds	79	95
Cash	89	182
Other	647	463
<b>Total market value of assets</b>	<b>4,943</b>	<b>4,543</b>

The actual return on scheme assets was £(64,000) (2021 - £770,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2022 £000	2021 £000
Current service cost	(859)	(710)
Interest income	81	61
Interest cost	(169)	(143)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(947)</b>	<b>(792)</b>

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

	2022 £000	2021 £000
<b>Opening defined benefit obligation</b>	<b>9,910</b>	<b>8,388</b>
Current service cost	859	710
Interest cost	169	143
Employee contributions	99	83
Actuarial (gains)/losses	(4,590)	644
Benefits paid	(45)	(58)
<b>Closing defined benefit obligation</b>	<b>6,402</b>	<b>9,910</b>



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**27. Pension commitments (continued)**

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2022 £000	2021 £000
<b>Opening fair value of scheme assets</b>	4,543	3,370
Interest income	81	61
Actuarial (losses)/gains	(145)	709
Employer contributions	410	378
Employee contributions	99	83
Benefits paid	(45)	(58)
<b>Closing defined benefit assets</b>	<u>4,943</u>	<u>4,543</u>

**28. Operating lease commitments**

At 31 August 2022 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	8	3
Between 1 and 5 years	28	-
	<u>36</u>	<u>3</u>

**29. Related party transactions**

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

Expenditure Related Party Transaction

Theatre Sans Frontières Ltd - a charitable company in which S C Kemp (Trustee) is a Joint Artistic Director in the Limited Company. The academy trust made purchases of £nil (2021 : £530). There were no amounts outstanding at 31 August 2022 (2021 : £nil).

The academy trust made a payment of £50 (2021 : £nil) to B Hignett (Trustee) for providing peripatetic music lessons to pupils. There were no outstanding amounts at 31 August 2022 (2021 : £nil).

In entering into the transaction the trust has complied with the requirements of the Academy Trust Handbook 2021.

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**30. 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 2022 the academy trust received £36,000 (2021: £30,000) and disbursed £20,000 (2021: £12,000) from the fund of which £9,500 was returned to the ESFA for money unspent from previous years. An amount of £56,000 (2021: £40,000) is included in other creditors relating to undistributed funds.