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 2023

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members
L Charlton
D Harris
D Hartland (left 22 September 2022)
V S Johnston (appointed 22 September 2022)
S Kemp
P Wood
T Hughes (appointed 20 February 2023)
B Howarth (appointed 6 February 2023)

Trustees
D Hartland, Chair until 22 September 2022 (left 3 March 2023)
V S Johnston, Chair from 22 September 2022
S Kemp, Vice Chair
G D Atkins, Executive Headteacher and Accounting Officer
C A Brown (left 21 September 2023)
K Cowie (left 18 April 2023)
F Darling (appointed 1 January 2023)
P Ferguson
J Heath (appointed 1 January 2023)
B M Hignett
K MacLachlan (appointed 1 January 2023)

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 (left 22 September 2023)
S Safdar, Chief Financial Officer (appointed 23 September 2023)

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

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Bankers
Lloyds Bank plc
Priestpopple
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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

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

The academy trust operates two schools in the Hexham area – Hexham Middle School and Queen Elizabeth High School. It has a pupil capacity of 1,908 and had a roll of 1,830 in the school census in October 2022.

Pupils are admitted on the basis of the criteria set out in the Trust's admissions policy which can be found on the school websites.

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 trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occuring 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. A minimum of 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 or equal to 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 and other agencies where necessary.

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.

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 Academy Trust Handbook published by the Department for Education and Education and Skills Funding Agency respectively.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

Training is provided as required based on needs identified or to reflect changes in such areas as educational assessment or the 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 currently include five 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. The members role is to oversee the functioning of the Trustee Board.

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 at least twice per term. 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 at least 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.

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	8
Full-time equivalent employee number	7

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	6
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000	
Total cost of facility time	2	
Total pay bill	8,922	
Percentage of total pay bill spent on facility time	0.02	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100.00	%

Related parties and other connected charities and organisations

Details of transactions with related parties are stated in note 29 to the Financial Statements.

Structure, governance and management (continued)

Engagement with employees (including disabled persons)

At the start of each academic year, school leaders reflect with staff on the year passed and share the priorities for the year ahead, which form the basis of each school's professional development programme. Information continues to be shared with staff via weekly briefings and bulletins at each school. Leaders meet fortnightly with the group of subject leads at each school to share perspectives and discuss operational and improvement matters. Senior leaders meet half-termly with staff union representatives to share perspectives in a spirit of constructive professional cooperation. Each year, all staff are invited to participate in a comprehensive survey, with the findings analysed and reflections and intended actions shared. Policy development takes into account the protected characteristics, including disability, with individuals supported with reasonable adjustments as appropriate.

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 and activities (continued)

Objectives, strategies and activities

The main objectives of Hadrian Learning Trust going into academic year 2022-23 were:

- to improve educational outcomes and experience through developing the curriculum and the quality of its implementation, taking advantage of the opportunities provided by the co-location of our schools
- to ensure financial sustainability in support of the above
- to continue to work with other schools, both in the Hexham Partnership to further develop coherent subject curriculum throughout the key stages, and in like-minded Trusts in support of mutually beneficial professional development, in the interests of all pupils and students.

In fulfilment of the objects. the academy trust's principal activities in the year ended 31 August 2023 were:

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

Public benefit

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

Strategic report

Achievements and performance

The Trustees are pleased to report that the academy trust continues to deliver good educational outcomes, despite the adverse legacy effect of the pandemic on pupils and students. 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 pupils and students, recognising the various challenges young people face. 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/student numbers versus capacity and prediction, including sixth form retention;
- Financial and efficiency indicators that align with the academy trust's reserves policy;
- Pupil/student and parent satisfaction indicators, including extent of feeling safe in school;
- Staff satisfaction indicators and absence information;
- Pupil/student data including attendance information compared to national figures and previous years, data on detentions, suspensions and exclusions compared with similar periods and examination results compared to national figures and previous years.

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

Strategic report (continued)

Achievements and performance (continued)

Educational Experience

The overarching theme of the year was the continuation at both schools of the quality of education improvement activity of the previous year, and specifically the further development of curriculum planning around assessment, the development of retention skills and support for weaker readers and those with SEND. Curriculum/subject leader and wider staff development centred on these aspects, with targeted support for individual subject leads provided by our external advisors, both practising Ofsted inspectors. We also capitalised on close working relationships with other schools to provide aspects of professional development, both for specific individuals and for the group of curriculum/subject leaders as a whole.

Quality of Education review activity continued throughout the year at both schools with typically positive findings across the 10 elements of great teaching. Expectations were reinforced within a re-drafted cross-trust teaching and learning policy, that spoke to curriculum planning, lesson design, assessment and feedback and adaptive practices to meet the needs of all learners. Curriculum/subject leaders then used this as a basis to determine individual subject policies to reflect subject differences and to give leaders the required ownership of policy implementation with their respective teams.

An area of focus at both schools last year was the development of students' reading skills, particularly those of weak readers. Each intake cohort was tested on entry to establish reading ages, with this information then used to determine the package of support needed to enable individuals to develop the requisite skills.

Very much in line with the experience of schools elsewhere, both locally within Northumberland and nationally, whilst the vast majority of pupils and students continued to conduct themselves very well each day, a greater number than in the past struggled to regulate their behaviour in the mainstream environment. In response to this, the schools invested more in student support staff and revised their behaviour policies to reflect relational approaches and trauma-informed practice, whilst maintaining a clear focus on high expectations and standards of behaviour.

Also reflecting the wider national picture, pupil and student attendance was down on pre-pandemic years although above the national averages for each school (HMS compared with national years 5 to 8 and QEHS compared with national years 9 to 11). Several national and regional strike days that occurred in the year contributed to higher absence, as did a pre-Christmas spike in illness and ongoing challenges around mindset and resilience following the pandemic

School leaders went into the 2022-23 academic year determined to further develop the wider experience of school life for pupils and students at both schools and this saw growth in the extra-curricular club programmes that saw good uptake. Subsequent engagement was monitored and analysed, with specific focus on those from disadvantaged backgrounds to encourage high participation. 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 Newcastleton during the summer term. Other trips included the High Borrans residential for year 8 and the return of the French trip. Over 50 extra-curricular clubs were on offer, including book club, STEM club, languages club, forest school, art club, board game & chess club, Lego club, Mandarin club, yoga club, maths club, science club, dance club, film club, Latin 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.

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, improvisation group, playwrights' society, chess club, Latin club 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, tennis, rugby, badminton, table tennis, basketball, trampolining and football.

Strategic report (continued)

Achievements and performance (continued)

The personal development of pupils and students across five key areas - PSHE/RSE, careers education, building character and skills, citizenship education and participation through the above enrichment and extra-curricular offer - continued to be a strength at both schools throughout 2022-23, as evidenced through pupils and students' ability to articulate their knowledge and awareness of key issues and themes, and stemming from strong and well thought-through form-time, assembly, drop-down day and PSHE/RSE programmes. 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.

A significant challenging event for our community in 2022-23 was the tragic death of one of our students at the high school, which saw the school and wider community pull-together well in its aftermath.

We could not deliver the education and pastoral services to our students without the hard work and dedication of our senior leadership team, standards and support team, curriculum leaders, teachers and support staff who work incredibly hard, and have done so in challenging conditions over the past few years, 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.

Key Stage 2 outcomes

	HMS 2019	HMS 2022	**HMS 2023**	**NAT 2023**
READING				
Expected standard %	82	75	**82**	**73**
Greater depth standard %	35	35	**40**	**29**
WRITING				
Expected standard %	89	81	**86**	**71**
Greater depth standard %	29	19	**24**	**13**
GRAMMAR, PUNCTUATION & SPELLING				
Expected standard %	87	71	**84**	**72**
Greater depth standard %	33	31	**38**	**N/a**
MATHS				
Expected standard %	87	86	**85**	**73**
Greater depth standard %	30	28	**29**	**24**
RWM COMBINED				
Expected standard %	77	67	**73**	**59**
Greater depth standard %	17	12	**16**	**8**

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

Strategic report (continued)

Achievements and performance (continued)

Provisional Key Stage 4 Outcomes

	2019		2020		2021		2022		**2023**	
KS4	QEHS	Nat	QEHS	Nat	QEHS	Nat	QEHS	Nat	**QEHS**	**Nat**
Progress 8	0.29	-0.03	N/a	N/a	N/a	N/a	0	-0.03	**0.21**	**-0.03**
Attainment 8	53.3	46.7	58.0	50.2	58.0	50.9	54.0	48.8	**52.6**	**46.2**
% 9-5 Eng & Maths	59%	43%	68%	49.9%	66%	51.9%	59%	50%	**60%**	**45%**
% 9-4 E & M	76%	65%	84%	N/a	83%	N/a	80%	N/a	**74%**	**65%**
EBacc APS	4.54	4.07	4.97	4.38	5.03	4.45%	4.51	4.27	**4.54**	**4.05**

With regards to destinations, provisional data for 2022-23 indicates that 58% of Year 11 progressed to sixth form study, 36% went onto other schools and colleges and 5% went onto apprenticeships. 0.5% are being home educated and 0.5% are NEET.

Provisional Key Stage 5 Outcomes

	2019		**2020**		**2021**		**2022**		**2023**	
16-19	**QEHS**	**Nat**	**QEHS**	**Nat**	**QEHS**	**Nat**	**QEHS**	**Nat**	**QEHS**	**Nat**
A Level										
APS per entry	39.41	33.77	42.70	39.51	43.2	41.60	43.2	38.87	**43.34**	**38.87**
Average grade	B	C+	B+	B	B+	B	B+	B	**B+**	**B**
Applied General										
APS per entry	35.51	28.37	32.30	31.25	37.5	32.82	33.44	31.98	**33.44**	**31.98**
Average grade	Dist-	Merit+	Dist-	Dist-	Dist+	Dist-	Dist	Dist-	**Dist**	**Dist-**

With regards to destinations, 53% of the 2022-23 cohort progressed to university, with 1% deferring entry. 1% are applying for a 2024 place. 12% went into employment. 8% went onto an art foundation course, 7% pursued apprenticeships and 10% took a gap year prior to either university or work. 6% remain with us for a third year of sixth form. The destinations of 1% of the cohort remain unknown at the time of writing and 1% are confirmed as NEET.

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 for 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 2023 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' (SORP 2015), 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.

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

During the year ended 31 August 2023, total expenditure (including depreciation) of £13,348,000 was in excess of recurrent and capital grant funding from DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year excluding both pension reserve movements and capital income and expenditure (restricted fixed asset funds) was £223,000.

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

At 31 August 2023 net book value of fixed assets was £41,529,000 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 £375,000 recognised on the Balance Sheet.

The academy trust held fund balances as at 31 August 2023 of £43,098,000 comprising £622,000 of restricted general funds, £41,547,000 of restricted fixed asset funds, a pension deficit of £375,000 and £1,304,000 of unrestricted funds.

Reserves policy

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

The level of reserves is reviewed by the Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy trust is reviewed by the Trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees therefore consider it prudent to hold 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 (£955,000) across the academy trust.

The academy trust's current level of free reserves are in surplus by £1,304,000, 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 to continue in the furtherance of its objectives for educational outcomes and student wellbeing.

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 relevant staff have received training in this area in addition to training on Child Protection.

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.

The risks in relation to the academy trust's estate are included on the risk register along with related control measures such as having skilled site staff, formal statutory testing contracts in place, maintenance arrangements, risk assessments, external specialist advice and comprehensive insurance. These risks and controls are discussed in detail by the Safeguarding Group, whose review is fed back to the Trust Board to ensure trustees are able to fulfil their responsibilities to ensure the academy trust's estate is safe, well maintained and compliant with relevant legislation.

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)
- Both schools benefit from donations to support school purchases from their Parent Teacher Associations, which raise 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, taking advantage of the opportunities provided by the co-location of our schools
- to ensure financial sustainability in support of the above
- to continue to work with other schools, both in the Hexham Partnership to further develop coherent subject curricula throughout the key stages, and in like-minded Trusts in support of mutually beneficial professional development, in the interests of all pupils and students.

In order to support the above objectives, the Trust worked closely with our school improvement partner, recognised curriculum experts and other schools to develop the quality of curriculum planning across all subjects and key stages. This work continues into academic year 2023-24, with an increasing focus on the quality of curriculum implementation.

The Trust also intends to review the medium term strategic plan for the Trust during 2023-24.

Plans for future periods (continued)

Funds held as custodian on behalf of others

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

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 30 November 2023 and signed on its behalf by:

V S Johnston

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 six 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, resigned 3 March 2023)	4	4
V S Johnston, Chair from 22 September	6	6
S Kemp, Vice Chair	5	6
G D Atkins, Executive Headteacher and Accounting Officer	6	6
C A Brown (left 21 September 2023)	2	6
K Cowie (resigned 18 April 2023)	1	4
F Darling (appointed 1 January 2023)	3	4
P Ferguson	5	6
J Heath (appointed 1 January 2023)	4	4
B M Hignett	4	6
K MacLachlan (appointed 1 January 2023)	4	4

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.

Three trustees were appointed during the year following trustee resignations. The new trustees bring a wide range of skills and experience form business and the public sector. One new trustee has expertise in safeguarding. The Trust Board would like to formally thank the Trustees who resigned in year for their services.

The Trust Board will continue to evaluate the effectiveness of governance arrangements during 2023/24 and will undertake an external audit of governance arrangements during 2024.

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.

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.

During the year J Heath joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
V S Johnston	5	5
G D Atkins	5	5
C A Brown	1	5
J Heath (appointed 1 January 2023)	3	3
P Ferguson (Chair of committee)	5	5

Note that V S Johnston attended a number of meetings in her capacity as chair and where C A Brown was unable to attend, although no longer a committee member.

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 various aspects of subject leadership and attendance and behaviour management. We have also continued to work closely with schools in the Hexham Partnership to further develop curriculum quality and coherence throughout the key stages.

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.

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, furniture and ICT.

The procedures also apply to spending of any capital funding received, which is targeted at priority areas and to ensure that the trust's estate is safe, well-maintained and complies with regulations. Following the move to the new build, we have invested in CCTV, additional boundary fencing and path resurfacing to further improve the safety and security of the academy trust's estate. Further improvements are planned in relation to improving building accessibility.

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has decided to buy-in an internal audit service from Armstrong Watson LLP

The Risk and Control Framework (continued)

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:

- Vehicles
- Fixed assets and capital procurement
- HR processes
- VAT and taxation

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 the 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;
- correspondence from ESFA

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 30 November 2023 and signed on their behalf by:

V S Johnston
Chair

G D Atkins
Accounting Officer

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF 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, including for estates safety and management, 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 2022, including responsibilities for estates safety and management.

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

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

G D Atkins
Accounting Officer
Date: 30 November 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make 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: 30 November 2023

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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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.

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. This description forms part of our Auditors' Report.

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.

Clive Owen LLP

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: 18 December 2023

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 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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 Directors;
- 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;

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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Clive Owen LLP

Clive Owen LLP

Reporting Accountants
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 18 December 2023

HADRIAN LEARNING TRUST

(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:						
Donations and capital grants	3	29	-	115	144	1,229
Other trading activities	5	274	-	-	274	222
Investments	6	36	-	-	36	1
Charitable activities		838	10,655	-	11,493	10,328
Total income		1,177	10,655	115	11,947	11,780
Expenditure on:						
Charitable activities	7	340	11,334	1,674	13,348	12,419
Total expenditure		340	11,334	1,674	13,348	12,419
Net movement in funds before other recognised gains		837	(679)	(1,559)	(1,401)	(639)
Other recognised gains:						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	1,149	-	1,149	4,445
Net movement in funds		837	470	(1,559)	(252)	3,806
Reconciliation of funds:						
Total funds brought forward		467	(223)	43,106	43,350	39,544
Net movement in funds		837	470	(1,559)	(252)	3,806
Total funds carried forward		1,304	247	41,547	43,098	43,350

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

The notes on pages 31 to 59 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note		2023 £000		2022 £000
Fixed assets					
Tangible assets	14		41,529		43,106
			41,529		43,106
Current assets					
Stocks	15	25		15	
Debtors	16	1,935		1,377	
Cash at bank and in hand		1,340		1,554	
		3,300		2,946	
Creditors: amounts falling due within one year	17	(1,352)		(1,238)	
Net current assets			1,948		1,708
Total assets less current liabilities			43,477		44,814
Creditors: amounts falling due after more than one year	18		(4)		(5)
Net assets excluding pension liability			43,473		44,809
Defined benefit pension scheme liability	27		(375)		(1,459)
Total net assets			43,098		43,350

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023

	Note		2023 £000		2022 £000
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	19	41,547		43,106	
Restricted income funds	19	622		1,236	
Restricted funds excluding pension asset	19	42,169		44,342	
Pension reserve	19	(375)		(1,459)	
Total restricted funds	19		41,794		42,883
Unrestricted income funds	19		1,304		467
Total funds			43,098		43,350

The financial statements on pages 27 to 59 were approved by the Trustees, and authorised for issue on 30 November 2023 and are signed on their behalf, by:

V S Johnston
Chair

The notes on pages 31 to 59 form part of these financial statements.

HADRIAN LEARNING TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash used in operating activities	21	(313)	(672)
Cash flows from investing activities	23	100	(261)
Cash flows from financing activities	22	(1)	(1)
Change in cash and cash equivalents in the year		(214)	(934)
Cash and cash equivalents at the beginning of the year		1,554	2,488
Cash and cash equivalents at the end of the year	24, 25	1,340	1,554

The notes on pages 31 to 59 form part of these financial statements

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 2022 to 2023 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.

Investment income, gains and losses are allocated to the appropriate fund.

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.

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.

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.

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.

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.

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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 £6,000 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 £1,628,000

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.

3. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Donations	29	-	29	1,077
Capital Grants	-	115	115	152
Total 2023	29	115	144	1,229
Total 2022	14	1,215	1,229	

Included within Donations is £4,654 in respect of Access Without Learning funding.

4. Funding for the academy trust's educational operations

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations				
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,503	9,503	9,031
Other DfE/ESFA grants				
Mainstream Schools Additional Grant	-	117	117	-
Pupil Premium	-	219	219	194
PE and Sport Premium	-	19	19	17
Rates	-	43	43	38
Supplementary grant	-	231	231	95
Teachers' pay grant	-	1	1	27
Teachers' pension grant	-	85	85	76
Other DfE Group grants	-	30	30	65
	-	10,248	10,248	9,543
Other Government grants				
SEN	-	166	166	148
Homes for Ukraine funding	-	152	152	-
Local Authority grants	-	17	17	36
	-	335	335	184
Other income from the academy trust's academy's educational operations	838	-	838	567

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

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	Total funds £000
COVID-19 additional funding (DfE/ESFA)				
Other DfE/ESFA COVID-19 funding	-	71	71	34
	-	71	71	34
COVID-19 additional funding (non-DfE/ESFA)				
Other COVID-19 funding	-	1	1	-
	-	1	1	-
	838	10,655	11,493	10,328
Total 2023	838	10,655	11,493	10,328
Total 2022	567	9,761	10,328	

5. Income from other trading activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from facilities and services	22	22	16
Rental and lettings income	110	110	81
Receipts from Supply Teacher Insurance claims	8	8	2
RPA Claims	2	2	1
Other	132	132	122
Total 2023	274	274	222
Total 2022	222	222	

6. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Bank interest	36	36	1
Total 2022	1	1	

7. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	Total 2022 £000
Academy's educational operations:					
Direct costs	7,723	-	1,049	8,772	8,193
Allocated support costs	1,612	2,059	905	4,576	4,226
Total 2023	9,335	2,059	1,954	13,348	12,419
Total 2022	8,851	2,054	1,514	12,419	

In 2023, of the total expenditure, £340,000 (2022: £558,000) was to unrestricted funds, £11,334,000 (2022: £10,292,000) was to restricted funds and £1,674,000 (2022: £1,569,000) 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 (2022 : £nil).

There were no ex-gratia payments in the period.

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Academy's educational operations	8,772	4,576	13,348	12,419
Total 2022	8,193	4,226	12,419	

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £000	Total funds 2022 £000
Staff costs	7,723	7,465
Educational supplies	312	240
Examination fees	216	203
Technology costs	6	5
Educational consultancy	178	107
Supply insurance	28	28
Other costs	309	145
Total 2023	8,772	8,193

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2023 £000	Total funds 2022 £000
Net interest cost on pension scheme	50	88
Staff costs	1,612	1,386
Depreciation	1,628	1,571
Staff development	48	41
Technology costs	133	116
Staff expenses	7	1
Transport	29	15
Maintenance of premises	117	81
Cleaning	13	7
Other premises costs	79	87
Energy	304	361
Rent and rates	40	37
Insurance	42	37
Operating lease rentals	9	8
Catering	366	265
Legal costs - other	-	3
Other costs	76	99
Governance costs	23	23
Total 2023	4,576	4,226

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £000	2022 £000
Operating lease rentals	10	8
Depreciation of tangible fixed assets	1,628	1,571
Fees paid to auditors for:		
- audit	18	14
- other services	7	1

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £000	2022 £000
Wages and salaries	6,717	6,021
Social security costs	676	602
Pension costs	1,603	1,877
	8,996	8,500
Agency staff costs	339	351
	9,335	8,851

Included in operating costs of defined benefit pension schemes is a charge of £15,000 (2022: £449,000) relating to the pension deficit actuarial adjustment.

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

Included in staff restructuring costs are non statutory/non-contractual severance payments totalling £nil (2022: £nil).

c. Staff numbers

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

	2023 No.	2022 No.
Teachers	106	103
Administration & Support	121	113
Management	15	14
	242	230

10. Staff (continued)

d. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	4	1
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

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 £458,000 (2022 £430,000).

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.

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:

		2023	2022
		£000	£000
G Atkins (Executive Headteacher and Trustee)	Remuneration	120 - 125	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 2023, no Trustee expenses have been incurred (2022 - £NIL).

14. Tangible fixed assets

	Leasehold land and buildings £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 September 2022	41,731	3,100	735	104	45,670
Additions	-	25	26	-	51
Disposals	-	(7)	(67)	(3)	(77)
At 31 August 2023	41,731	3,118	694	101	45,644
Depreciation					
At 1 September 2022	1,397	904	249	14	2,564
Charge for the year	940	550	118	20	1,628
On disposals	-	(7)	(67)	(3)	(77)
At 31 August 2023	2,337	1,447	300	31	4,115
Net book value					
At 31 August 2023	39,394	1,671	394	70	41,529
At 31 August 2022	40,334	2,196	486	90	43,106

15. Stocks

	2023 £000	2022 £000
Cleaning	2	3
Catering	6	5
Stationery	17	7
	25	15

16. Debtors

	2023 £000	2022 £000
Trade debtors	22	7
Short term cash investment	1,500	1,000
Prepayments and accrued income	284	238
Vat recoverable	129	132
	1,935	1,377

17. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	234	194
Other taxation and social security	154	143
Other creditors	481	445
Accruals and deferred income	483	456
	1,352	1,238

	2023 £000	2022 £000
DEFERRED INCOME		
Deferred income at 1 September 2022	75	67
Resources deferred during the year	176	75
Amounts released from previous periods	(75)	(67)
Deferred income at 31 August 2023	176	75

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 2023/24.

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

	2023 £000	2022 £000
Other creditors	4	5

Included within other creditors is a loan of £5,000 (2022: £6,000) 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.

19. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
Unrestricted fund	417	1,177	(340)	(43)	-	1,211
Sinking Fund	50	-	-	43	-	93
	467	1,177	(340)	-	-	1,304
Restricted general funds						
General Annual Grant (GAG)	1,242	9,503	(10,118)	-	-	627
Pupil Premium	-	219	(219)	-	-	-
Other DfE/ESFA grants	-	526	(526)	-	-	-
SEN	-	166	(166)	-	-	-
Local Authority grants	-	17	(17)	-	-	-
Other loans	(6)	-	1	-	-	(5)
Homes for ukraine	-	152	(152)	-	-	-
Covid-19 funding	-	72	(72)	-	-	-
Pension reserve	(1,459)	-	(65)	-	1,149	(375)
	(223)	10,655	(11,334)	-	1,149	247
Restricted fixed asset funds						
Assets Donated On Conversion	4,883	-	(84)	-	-	4,799
DfC Capital	159	115	(94)	-	-	180
GAG Capital	764	-	(145)	-	-	619
PSBP	11,038	-	(250)	-	-	10,788
Donated Assets	25,827	-	(1,058)	-	-	24,769
Other Capital Grants	435	-	(43)	-	-	392
	43,106	115	(1,674)	-	-	41,547

19. Statement of funds (continued)

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Total Restricted funds	42,883	10,770	(13,008)	-	1,149	41,794
Total funds	43,350	11,947	(13,348)	-	1,149	43,098

19. Statement of funds (continued)

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, Mainstream Additional Schools Grants, Supplementary Grant, Teachers' pay grant and Teachers' pension grant.

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

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 2023.

19. Statement of funds (continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2022 £000
Unrestricted funds						
Unrestricted fund	210	765	(558)	-	-	417
Sinking Fund	11	39	-	-	-	50
	221	804	(558)	-	-	467
Restricted general funds						
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)
	(3,875)	9,761	(10,292)	(262)	4,445	(223)
Restricted fixed asset funds						
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
	43,198	1,215	(1,569)	262	-	43,106
Total Restricted funds	39,323	10,976	(11,861)	-	4,445	42,883
Total funds	39,544	11,780	(12,419)	-	4,445	43,350

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023 £000	2022 £000
Hexham Middle School	353	463
Queen Elizabeth High School	1,573	1,240
Total before fixed asset funds and pension reserve	1,926	1,703
Restricted fixed asset fund	41,547	43,106
Pension reserve	(375)	(1,459)
Total	43,098	43,350

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 2023 £000	Total 2022 £000
Hexham Middle School	1,973	452	105	526	3,056	2,636
Queen Elizabeth High School	5,735	1,160	207	1,512	8,614	7,675
Academy trust	7,708	1,612	312	2,038	11,670	10,311

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	41,529	41,529
Current assets	1,480	1,797	23	3,300
Creditors due within one year	(176)	(1,175)	(1)	(1,352)
Creditors due in more than one year	-	-	(4)	(4)
Provisions for liabilities and charges	-	(375)	-	(375)
Total	1,304	247	41,547	43,098

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000
Tangible fixed assets	-	-	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)
Total	467	(223)	43,106	43,350

21. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £000	2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(1,401)	(639)
Adjustments for:		
Depreciation	1,628	1,571
Capital grants from DfE and other capital income	(115)	(1,215)
Interest receivable	(36)	(1)
Defined benefit pension scheme cost less contributions payable	15	449
Defined benefit pension scheme finance cost	50	88
Decrease in stocks	(10)	1
Increase in debtors	(558)	(1,017)
Increase in creditors	114	91
Net cash used in operating activities	(313)	(672)

22. Cash flows from financing activities

	2023 £000	2022 £000
Repayments of Salix Loan	(1)	(1)
Net cash used in financing activities	(1)	(1)

23. Cash flows from investing activities

	2023 £000	2022 £000
Dividends, interest and rents from investments	36	1
Purchase of tangible fixed assets	(51)	(1,477)
Capital grants from DfE Group	115	152
Capital funding received from sponsors and others	-	1,063
Net cash provided by/(used in) investing activities	100	(261)

24. Analysis of cash and cash equivalents

	2023 £000	2022 £000
Cash in hand and at bank	1,340	1,554
Total cash and cash equivalents	1,340	1,554

25. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	At 31 August 2023 £000
Cash at bank and in hand	1,554	(214)	1,340
	1,554	(214)	1,340

26. Capital commitments

	2023 £000	2022 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	2	16

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 2022.

Contributions amounting to £174,000 were payable to the schemes at 31 August 2023 (2022 - £154,000) 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.

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 £1,103,000 (2022 - £996,000).

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 2023 was £599,000 (2022 - £509,000), of which employer's contributions totalled £484,000 (2022 - £410,000) and employees' contributions totalled £ 115,000 (2022 - £99,000). The agreed contribution rates for future years are 21.7% 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.

Principal actuarial assumptions

	2023 %	2022 %
Rate of increase in salaries	4.1	4.2
Rate of increase for pensions in payment/inflation	2.6	2.7
Discount rate for scheme liabilities	5.1	4.1
Inflation assumption (CPI)	2.6	9.5
Commutation of pensions to lump sums	75.0	75.0

27. Pension commitments (continued)

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

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

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(119)	(160)
Discount rate -0.1%	119	166
Mortality assumption - 1 year increase	(143)	(179)
Mortality assumption - 1 year decrease	143	179
CPI rate +0.1%	101	26
CPI rate -0.1%	(101)	(26)

Share of scheme assets

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

	At 31 August 2023 £000	At 31 August 2022 £000
Equities	2,877	2,660
Corporate bonds	1,056	919
Property	576	549
Government bonds	73	79
Cash	95	89
Other	911	647
Total market value of assets	5,588	4,943

The actual return on scheme assets was £89,000 (2022 - £(64,000)).

27. Pension commitments (continued)

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

	2023 £000	2022 £000
Current service cost	(499)	(859)
Interest income	214	81
Interest cost	(264)	(169)
Total amount recognised in the Statement of Financial Activities	(549)	(947)

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

	2023 £000	2022 £000
Opening defined benefit obligation	6,402	9,910
Current service cost	499	859
Interest cost	264	169
Employee contributions	114	99
Actuarial gains	(1,274)	(4,590)
Benefits paid	(42)	(45)
Closing defined benefit obligation	5,963	6,402

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

	2023 £000	2022 £000
Opening fair value of scheme assets	4,943	4,543
Interest income	214	81
Actuarial losses	(125)	(145)
Employer contributions	484	410
Employee contributions	114	99
Benefits paid	(42)	(45)
Closing defined benefit assets	5,588	4,943

28. Operating lease commitments

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

	2023 £000	2022 £000
AMOUNTS PAYABLE:		
Within 1 year	10	8
Between 1 and 5 years	27	28
	37	36

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 Partv Transaction

Theatre Sans Frontieres 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 £385 (2022 : £nil). There were no amounts outstanding at 31 August 2023 (2022 : £nil).

Vindolanda Trust - V Johnston one of the trust's directors, is also one of the trustees of the Vindolanda charity. The academy trust made purchases of £295 (2022 : £nil). There were no amounts outstanding at 31 August 2023 (2022 : £nil).

The academy trust made a payment of £360 (2022 : £50) to B Hignett (Trustee) for providing peripatetic music lessons to pupils. There were no outstanding amounts at 31 August 2023 (2022 : £nil).

The academy trust made a payment of £924 (2022 : £nil) to D Hignett (partner of Trustee) for providing ensemble tuition to school. There were no outstanding amounts at 31 August 2023 (2022 : £nil).

In entering into the transaction the trust has complied with the requirements of the Academy Trust Handbook 2022.

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 2023 the academy trust received £56,000 (2022: £36,000) and disbursed £38,000 (2022: £20,000) from the fund of which £7,000 was returned to the ESFA for money unspent from previous years. An amount of £74,000 (2022: £56,000) is in included in other creditors relating to undistributed funds.