

DURHAM AND NEWCASTLE DIOCESAN LEARNING TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Durham and Newcastle Diocesan Learning Trust

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Durham and Newcastle Diocesan Learning Trust

Reference and Administrative Details

Members	Bishop of Durham (Rep: Stuart Bain) (resigned 14 September 2020) Bishop of Durham (Paul Butler) (appointed 14 September 2020) Durham Diocesan Board of Finance (Rep: Nigel Wyrley-Birch) (resigned 14 September 2020) Richard Thorndyke (resigned 14 September 2020) John Taylor Stephen Pickering Bishop of Newcastle (Rep: Christine Hardman) (appointed 14 September 2020) Rev'd Dennis Handley (appointed 14 September 2020)
Trustees (Directors)	John Taylor, Chair Paul Rikeard Father Bill Braviner Timothy Dillon Mark Stouph Tim Jones Charlotte McCabe Jennifer Wade Helen Beaton (appointed 19 July 2021) Madeleine Hope (appointed 19 July 2021)
Senior Management Team	Paul Rikeard, Chief Executive Officer Eileen Bell, Chief Finance Officer Liane Atkin, Operating Officer/DPO Amanda Baines, Headteacher Lynn Chambers, Headteacher Mary Cook, Headteacher (resigned 31 December 2020) Emma Robertson, Headteacher Judith Skirving, Headteacher Carly Spence, Headteacher Christine Johnston, Headteacher Karen Whittaker, Headteacher Deb Cross, Headteacher Mandy Gates, Acting Headteacher (appointed 1 January 2021 and resigned 31 March 2021)
Principal and Registered Office	Cuthbert House Stonebridge Durham DH1 3RY
Company Name	Durham and Newcastle Diocesan Learning Trust
Company Registration Number	10847279
Auditors	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

Durham and Newcastle Diocesan Learning Trust

Reference and Administrative Details (continued)

Bankers	Lloyds Bank Plc 19 Market Place Durham DH1 3NL
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Durham and Newcastle Diocesan Learning Trust (the "Academy Trust") operates nine primary schools for pupils aged 2 to 11 serving catchment areas in the Hartlepool, Stockton, Darlington and Durham Local Authority areas. One of the primary schools is also a designated teaching school. The Academy Trust had 1,553 pupils on roll at the end of the reporting period.

The Academy Trust was incorporated on 3 July 2017. The first three schools (Egglescliffe CE, Holy Trinity CE and St Aidan's CE) converted together to become academies on 1 November 2017, followed by St Mary's CE Long Newton on 1 November 2018. Bishopton Redmarshall CE and Heighington CE joined the Academy Trust on 1 May 2019 having previously formed an existing Academy Trust (BRandH). Bishop Ian Ramsey CE Primary then joined the Academy Trust as a sponsored academy on 1 October 2019, followed by Ingleton CE Primary and Stanhope Barrington CE Primary on 1 April 2020.

The Academy Trust changed its name from the Durham Diocesan MAT to the Durham and Newcastle Diocesan Learning Trust on 5 November 2020.

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 Articles of Association of the Academy Trust were amended in Autumn 2020 to reflect the new name, membership and move to the most up to date approved Church, model Articles. These changes reflect the fact that the Trust is now also open to schools within the Diocese of Newcastle. The Trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as the Durham and Newcastle Diocesan Learning Trust.

Details of the Trustees who served during the period 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

All 9 of the schools within the Academy Trust are Members of the government's Risk Protection Arrangement (RPA) scheme to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst undertaking Academy Trust business.

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed in relation to the type of Trusteeship held and as follows:

- Under Article 50 Members shall appoint a minimum of 5 Trustees. 8 Trustees are currently appointed under this Article.
- Articles 53-56 do provide the scope to have Parent Trustees, however this does not apply currently as there are two parent members of each AC.
- Under Article 57 the Members may appoint the CEO as a Trustee. The CEO was appointed as a Trustee on incorporation.
- Under Article 58 the Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Company as a Co-opted Trustee if thereby the number of Trustees who are employees of the Company would exceed one third of the total number of Trustees. The Company does not currently have any Co-opted Trustees.

The training and induction provided for new Trustees is tailored to reflect their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents as required to undertake their role as Trustees. Five of the current Trustees have been in place since September 17. Two new Trustees (Madeleine Hope and Helen Beaton) were appointed on 19 July 2021 in response to the Board's skills audit and bring financial, operational and Trust growth expertise to the Board.

The Academy Trust has utilised the services of an independent clerk, David Walker, as lead governance support professional since conversion as the provider of Governance Support Services to the Academy Trust and a training and support package, including induction meetings for new local Academy Councillors and Trustees, has been delivered to help advise individuals on the requirements and responsibilities of their roles. The Academy Trust is now in its fourth full year of operation and regular Trustees' strategy sessions are now part of the annual programme of activity and these strategy sessions have included a regular review of the latest self-evaluation of governance which is undertaken annually by the Board. Termly meetings between the Chairs of the Academy Councils and CEO are now a feature of the Trust's wider governance activity and these support a continuity of approach to governance across all schools in the Academy Trust. In addition, during this reporting period, termly meetings have now also been introduced for Vice Chairs to assist with development of the Vice Chair role and succession planning. These meetings are virtual, partly due to the Covid-19 pandemic but also to save travel time and ensure attendance from as many Chairs and Vice Chairs as possible.

A cycle of governance activity has been developed to support a consistent approach to each school's governance activity and this is now well-established and helping to drive the work of the Academy Councils. The CEO attends one Academy Council meeting for each school annually and a schedule of link directors and bi-annual visits to each school has been established. In addition, each school in the Academy Trust, and the Trustees, have access to NGA e-learning resources to ensure a greater focus on on-line training (as well as bespoke virtual training sessions) to give more flexible options that better support Academy Councillors and Trustees in their important roles. Trustees and Academy Councillors are required to sign a code of conduct when they join the Trust and then on an annual basis. In addition, Trustees have access to a secure portal via the Trust website containing copies of key policies, induction and guidance documents and all meeting minutes and related papers. Following consideration of costs and services from three clerking services providers, the Trust procured additional supplementary clerking support during the reporting period from Berry Education to increase capacity. Berry are now working with David Walker in a transitional handover period with a view to provision of comprehensive clerking support when he retires as lead governance support partner at the end of 2021.

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Organisational Structure

The Academy Trust comprised nine primary schools during the reporting period. No further new schools have joined the Trust during the period as a period of consolidation and focus on existing schools has been required during the Covid-19 pandemic. The three schools who joined in late 2019 and Spring 2020 have had to rely on virtual inductions and mainly virtual academy council meetings due to the restrictions so ensuring they are fully supported despite the restrictions has been a priority. The Academy Trust's Board is responsible for the strategic direction of the Academy Trust and has overall responsibility for academic standards, financial management, assets and other resources of the Academy Trust.

The Academy Trust is also the admissions authority and employer for all academies within the Academy Trust. Executive leadership is provided by the Academy Trusts' CEO working with each of the Head Teachers of the individual schools. The Accounting Officer is the CEO. The Academy Trust has appointed five Challenge and Support Partners who work with the Head Teachers to support school effectiveness and improvement. These challenge and support meetings have had to be virtual on many occasions due to the pandemic.

Delegated authority and powers of decision making in relation to the Board of Trustees and its committees, including each Academy's own Academy Council (AC), is defined in the Academy Trust's Scheme of Delegation (which was approved by Trustees at the Academy Trust's first Board meeting on 23 November 2017 and has been reviewed and updated where appropriate by the Trust Board each year). The Scheme of Delegation (SoD) identifies what responsibility resides at both individual academy and Board / Board Committee level.

All staffing appointments are made at an AC level with the exception of Head Teachers, who are appointed by a panel established by the Trustees and including the input of the AC and also advice from the relevant Diocesan Board of Education.

Systems and procedures for financial management, HR and administration are undertaken at an academy level but supported and overseen by the Academy Trust's Central Team comprising the Chief Operating Officer ("COO"), the Chief Finance Officer ("CFO") and two financial administrative assistants. The Academy Trust operates a single bank account and one finance policy and associated procedures across all of its schools.

During 2020/21 the Academy Trust has continued to review and where appropriate develop a number of centrally approved policies covering statutory and non-statutory areas, ensuring they comply with guidance from both the DfE and the ESFA. As a result of the Covid-19 pandemic, amendments to policies such as Child Protection, Complaints and Behaviour had to be made to cover the ongoing situation and policies around virtual meeting requirements and staff accountability and remote working policies continued to be followed where required.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel defines those persons of the Academy Trust having authority and responsibility for planning, directing and controlling the activities of the Academy Trust, directly or indirectly and including all Trustees. Trustees who are not employees of the Academy Trust receive no remuneration for the roles they undertake. The CEO, CFO and COO are joint employees of the Newcastle Diocesan Education Board and the Durham Diocesan Board of Finance (known as the Joint Education Team (JET)). Their services are provided to the Academy Trust at a reduced rate which is at or below cost. The Academy Trust's key management personnel are therefore defined to be the Head Teachers.

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Trustees Report for the Year Ended 31 August 2021 (continued)

Head Teachers have their pay set in line with the Academy Trust Pay Policy which is reviewed annually and set in accordance with the School Teachers' Pay and Conditions Guidance. This provides for each respective AC to oversee the appraisal and pay of the school Head Teacher. This is undertaken with the support of either the CEO or the designated Challenge and Support Partners who carry out the performance management of each Head Teacher within the Academy Trust.

The Head Teacher organises the performance management arrangements for all staff within each academy and the objectives of staff are layered to reflect key priorities for the period. This ensures performance of staff is linked to improvements identified by the AC and the Head Teacher. These improvements are, in turn, linked to the improvement priorities identified in the Board's strategic plan.

The Chief Finance Officer and Chief Operations Officer are line managed by the CEO.

Trade Union Facility Time

There were two Relevant Union Officials during the period. Neither trade union official spent paid working hours on facility time or undertook any paid trade union activities so as such the Academy Trust has not incurred any costs in relation to facility time or paid trade union activities.

Related Parties and Other Connected Charities and Organisations

The Academy Trust was set up by the Church of England Diocese of Durham and works alongside the Joint Education team which works for the Durham Diocesan Board of Finance on behalf of the Durham Diocesan Board of Education as well as the Newcastle Diocesan Board of Education. All of the Academy Trust's schools are currently Church of England Schools within the Diocese of Durham but the Trust is now also open to schools within the Diocese of Newcastle. The Academy Trust was previously connected with the Durham Diocesan Board of Finance due to its previous role as Member and its joint employment of the staff who provide officer services to the Academy Trust. However, since the change of the Trust Articles and Membership on 14th September 2020 the Durham Diocesan Board of Finance is no longer a Member or related party of the Trust. In any event all officer time is provided at cost or less.

Engagement with employees (including disabled persons)

As of 1 September 2021 the Trust employed 215 staff. However, many Trust staff work under more than one contract to cover additional small part-time roles in school. This was particularly the case during the last reporting period as a result of the Covid-19 pandemic and the need for additional intervention and recovery work and also cover in areas such as cleaning and caretaking. This means the average staff numbers for the Trust, when based on number of contracts held, is 298. In light of this we are reporting details of engagement with employees on this basis.

The Trust is an equal opportunities employer and reviews its equal opportunities policy on an annual basis as part of an overall review of the Staff Handbook. The Trust meets with recognised Union reps on a termly basis and seeks their feedback on changes to the staff handbook as well as discussing employment issues generally. The CEO of the Trust attends staff meetings and meets with staff on at least an annual basis and the Head Teacher of each school holds regular staff meetings as well as ensuring staff are consulted on Covid-19 risk assessments and measures in school as a result of the pandemic. The CEO regularly updates staff on key Trust developments by email and Trust wide training is offered to staff in various areas including complaints handling, GDPR, SIAMs and sexual harassment in schools. The Trust offers various networks to support staff including the Head Teacher and School Business Manager network, a Deputy Head Teachers network, an RSHE network, and an Early Years network. Some of these have not been able to be held as regularly as hoped during the pandemic and steps are in place to facilitate these with a lead from the Trust to ensure they are as supportive as possible.

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

The Trust has a confidential counselling helpline available to all staff which is notified to all staff via the handbook, the Headteacher and advertised in the school staff room. The Trust has been very conscious of the potential impact on the mental health and well-being of staff during the pandemic. The Trust has organised training for mental health first aiders in its schools and there are now mental health first aiders in each of the Trust schools and a Trust facilitated network in place to offer support to those staff in this important role.

Within its Staff Handbook the Trust has policies that positively support the recruitment, promotion and training of people with disabilities. Recruitment and selection policies apply to all aspects of the recruitment process from advertising jobs through to appointing staff, including making reasonable adjustments to interview processes where required and taking positive action to recruit applicants with a disability. The Trust supports employees who are disabled by making reasonable adjustments to working conditions or arrangements and ensuring equal access to opportunities for training, promotion and career development. The Trust delivered Trust wide training on Equalities law to Headteachers, academy councillors and Trustees during the reporting period.

Objectives and Activities

Objects and Aims

The objects of the Academy Trust are to advance for the public benefit, education in the United Kingdom, in particular establishing, maintaining, carrying on, managing and developing Academies offering a broad and balanced curriculum including designated Church of England schools and which may include other academies whether with or without a designated religious character. There is a secondary ancillary 'community use' object subject to any restrictions contained within any Trusts applying to the land. Note these objects changed slightly upon adoption of the new Articles, Membership and change to new Company name to the Durham and Newcastle Diocesan Learning Trust in Autumn 2020.

At the heart of our vision is our commitment to ensure all of our schools are places where children and young people develop and thrive academically, socially, culturally and spiritually. The drive for excellence and effectiveness in our schools is paramount, but not merely because the Government says so. The enabling of every child to flourish in their potential as a child of God is a sign and expression of the Kingdom and is at the heart of the Church's distinctive mission.

Our mission is to support and encourage the work of schools in our Academy Trust, promoting Christian distinctiveness through the high-quality education of children and young people across the Academy Trust whilst enabling and actively encouraging each school to retain and develop its own unique identity within the local community it serves.

The Durham and Newcastle Diocesan Learning Trust works with all phases of Church Schools in the Diocese of Durham (Darlington, Durham, Hartlepool, Gateshead, South Tyneside, Stockton and Sunderland) and since September 2021 the Diocese of Newcastle (covering Newcastle, North Tyneside and Northumberland Local Authority areas).

At present the Academy Trust will also support any community school where possible should such support be sought, since all schools in the Diocese are members of the wider Diocesan community. The region has an extreme range of socio-economic circumstance, from extreme wealth to areas with significant poverty.

The Academy Trust's core values and aims are:-

- To ensure that our schools are centres of excellence with a focus on academic outcomes and the nurture of resilience & respect as set out in the Ofsted Inspection Handbook.

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

- To promote high quality professional development and encourage mutual support in the pursuit of effective teaching and good pupil progress.
- To develop innovative and aspirational thinking building on our long educational heritage and to make use of the latest research in pedagogy and child development.
- To foster, maintain and celebrate Christian distinctiveness in our schools.
- To ensure our schools have a particular vocation to the least advantaged, enabling them through education to change their life opportunities.

Objectives, Strategies and Activities

The Academy Trust is a strong option within the Diocese of Durham and the Diocese of Newcastle for any church school which wishes to become an academy and, over time, will act as the lead sponsor for any Church schools within the Diocese which are being directed to become sponsored academies by the Department for Education. The first sponsored academy, Bishop Ian Ramsey CE Primary, joined the Trust on 1 October 2019. It will act as a vehicle for enabling the sharing of best practice and economies of scale achievable across a group of schools.

Our school improvement approach seeks to build strong capacity to improve from within and a culture that looks outward and never stops trying to be better. Schools which join our MAT are able to help shape our work and benefit both from the support they receive and the opportunities for school improvement they are able to offer. The behaviours we expect to see are:

- We encourage strong and capable system leaders
- We enable our people to excel to provide outstanding education
- We build trust and respect across our schools

In accordance with the Articles of Association the Academy Trust has adopted a Scheme of Delegation which specifies, amongst other things, composition and appointment to ACs, functions delegated to ACs, admission procedures and the teaching of a broad and balanced curriculum.

Each academy has its own development plan and this, together with the Academy Trust's Medium-Term Financial Strategy, links into the Academy Trust's overall Strategic Plan. The Academy Trust is committed to developing Academy Trust-wide policies where appropriate.

The Academy Trust's Head Teacher and School Business Managers Group meets regularly to discuss ongoing operational and strategic matters that support the objectives in the Academy Trust's Strategic Plan, with reports on academic performance and the financial position of the Academy Trust being reported to the Academy Trust's Board on a regular basis. These meetings have continued throughout the COVID-19 pandemic via video conferencing where necessary to ensure regular meetings and updates have been provided from the central team to support schools. The Trust's external Health and Safety consultants have provided in-depth advice and worked on bespoke tailored risk assessments with schools to continue to ensure appropriate protective measures are in place during the pandemic in line with government guidance.

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Public Benefit

The Academy Trust's aims and achievements are set out within this report and have been undertaken to further the charitable purposes for the public benefit, including the provision of state funded education. The Trustees have complied with the duty under section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. The Trustees have considered this guidance in deciding what activities the Academy Trust should undertake and consider its aims are demonstrably for the public benefit. Individual schools within the Academy Trust contribute directly to their own community through initiatives such as the letting out of premises to community groups and working within their local parishes to develop community involvement in each academy and the church.

Achievements and Performance

The key achievements against the Academy Trust's stated objectives during 2020/21 include:

- All schools remain GOOD or OUTSTANDING with our sponsored Academy continuing to make progress.
- The Trust has supported the wider Diocesan School Family at many levels throughout the Pandemic. For example, the distilling of information from the DFE by the COO has been sent to all schools which has been widely circulated and appreciated.
- During the pandemic all schools have continued to track children's progress and whilst all schools can demonstrate good progress there have been challenges in delivery and consistency. For example, children in EYFS have struggled more than children further up the age range to adapt to being back in the classroom full time. A number of children have issues with speech and language development as well as in some cases additional toilet training needs.
- Remote Education has been successful and early benchmarking has allowed each school to identify gaps in learning and target support appropriately.
- Trust wide school improvement has continued through a hybrid approach which has enabled the Trust to support and challenge leaders throughout the year. Despite COVID all schools have been in receipt of their full allocation of officer time.
- Mental Health First Aid Training has now been delivered to all schools with every school having their own Mental Health First Aider. We are delighted with the commitment from the staff and the Trust to ensure this has happened in a timely manner and is actively supporting our staff.
- Governance has remained a key focus for the Trust, this has been ably supported with additional time from the Trust to ensure AC's have met regularly and in a timely fashion to respond to the challenges of the Pandemic.
- Whilst there have been additional financial pressures on the system we have continued to work with schools (including through a restructure) to ensure our finance key indicators have been achieved
- The Trust have supported all schools to ensure they apply for and use wisely the sums of money available for catch-up. There are however, ongoing issues for smaller schools to benefit which are being fed back into the DFE
- The Trust is continuing to develop a culture of strong financial management and delivery of savings to our schools through increased shared buying/procurement and implementation of SRMA report findings;

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

- The Trust's risk management framework is continuing to be developed and embedded at both the operational and strategic levels. A finance, audit and risk (FAR) committee was set up in early 2020 comprising all trustees apart from the CEO to ensure further separate scrutiny and reporting of finance and internal assurance and audit arrangements in line with the Academies Financial Handbook. This meets termly before the main board.
- The COVID-19 pandemic has continued to be a test of the Trust's systems and ability to continue operating in challenging and uncertain circumstances. The schools remained open and welcomed key worker and vulnerable children during lockdown periods.

Key Performance Indicators:

Due to the Covid-19 pandemic the usual key performance indicators are not available as no statutory testing has been undertaken. Support from the Trust has been extensive to schools, all of which has ensured our schools have maintained high standards of health and safety; being able to open throughout the pandemic and ensured a curriculum has been developed and delivered that is appropriate. Key points are as follows:-

- Attendance has been at or above the national expectations across the Academy Trust. All schools have worked with the central team to ensure coding has been correct and appropriate. None of our Trusts schools this year have had a full closure. The data for this has been regularly published and tracked by the DFE. All schools have successfully worked with our Health and Safety Team to reduce the rate of infection in our schools amongst staff and children to avoid as much as possible disruption to children
- Ofsted has been on pause – however due to our robust CISP system we have ensured schools have continued to make progress against their own Development Plans.
- Curriculum Development including Early Reading has been and continues to be a priority for all schools in the Trust. Training has been deployed via the Trust to all Diocesan schools. The teaching of Phonics (whilst already successful across the Trust) has been a focus for improvement – we are anticipating above national results after the screening tests.
- Partnership working across the Trust has enabled improvements in the management of SEND and vulnerable learners. A mentor system has been put in place to ensure newer heads / schools to the Trust have started to flourish.
- Remote Learning has been successful with all children having devices who have not had their own. Early indications are that children have not stopped learning during the pandemic but made progress. High quality lessons have continued in the mixed mode where possible to avoid gaps in groups of learners.
- Recovery / Catch up – schools are working with several partners to ensure catch up and recover is in place. Vision for Education have provided additional staff to support the workload on staff (where this has been an issue) and in some cases schools have recruited to temporary posts to run intervention groups.
- The Trust is confident that every child has been given the right opportunity and been equipped to continue to thrive and progress throughout the Pandemic.

As a result of the COVID-19 pandemic the Trust's external financial consultants, Avec have continued to carry out an analysis of the financial implications on the schools within the Trust. A full benchmarking report was also considered and discussed by the Trust board in July 2021. Financial Key Performance Indicators are also set out below. The three schools who most recently joined the Trust did not have significant reserves and have continued to have ongoing financial challenges which the Trust has worked with the schools to resolve.

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

The table below shows the KPI's monitored by Trustees during Finance, Audit and Risk Committee meetings over the last academic year, this also shows the Target (budget) as well as last year's position:-

KPI	Approved budget	Projected outturn	Previous year outturn
Total staff % expenditure (1)	76%	77%	76%
Average teacher cost (2)	£54,255	£55,992	£53,758
Education Resources percentage expenditure	4%	3%	4%
Pupil Teacher ratio (3)	17.8	18.4	19.7

(1) The staff as a percentage of total expenditure has increased due to the majority of the savings achieved being non-staffing related, therefore increasing the proportion of staffing expenditure.

(2) The average teacher cost has increased due to the ISR increasing in two schools, also the teaching staff reductions involved lower paid staff, thereby increasing the average cost

(3) The pupil teacher ratio has increased due to the reduction in teaching staff in two schools.

Going Concern

After making appropriate enquiries, the Board of Trustees have 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 can be found in the Accounting Policies.

Financial Review

The majority of the Academy Trust's income for the period of account is obtained from either the ESFA (Education and Skills Funding Agency) or Local Authorities as commissioners of pupil places, the use of this income is restricted to particular purposes. The grants and funding received from these bodies for the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust has incurred additional costs this year on purchasing PPE equipment, additional cleaning and additional cleaning products equating to over £60,000. In addition, higher supply costs have been incurred to cover absences where staff had to self-isolate. There has also been a reduction in income in some schools for pre and after school clubs as a result of reduced capacity due to social distancing rules and lockdown regulations, and lettings have also been affected. This has resulted in a reduction in income of around £70k. The schools received catch up funding but not all schools were able to utilise the funding in the reporting period due to closure periods so around £24,000 was carried forward to the next reporting period. Durham schools received outbreak relief funding totalling £5,188 from Durham County Council.

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

The Academy Trust end of year position is better than anticipated due to income variances mainly due to significant increases in SEN, Early Years funding and the addition of the COVID catch up grant. Expenditure variances also occurred mainly due to significant increases in COVID related expenditure in all schools and revenue contribution to capital projects in Holy Trinity, St Aidan's, Egglescliffe, Ingleton and Bishopton Redmarshall and a reduction in staffing costs in Stanhope Barrington and Bishop Ian Ramsey.

The Trust's financial position is subject to risks and sensitivities that may adversely affect financial performance throughout the remainder of this academic year. These include the potential further impact of COVID-19, increase in staff sickness as a result of COVID-19 or related impact on well-being which will increase staff supply costs, premises risks relating to urgent repairs, and the risks arising from the uncertainty around the level of the pay award for support staff. The Trust plans to manage these risks through cautious budget setting and Finance, Audit and Risk Committee oversight of pupil numbers and key changes to assumptions used, regular monitoring and review both termly and in response to any change which could result in a significant variance.

During the period ended 31 August 2021 total expenditure of £9,394,000 exceeded grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and before pension transfer) was £34,000.

At 31 August 2021 the net book value of fixed assets was £2,013,000. The assets were used exclusively for providing education and associated support to the pupils in the schools within the Academy Trust.

The Academy Trust occupies land, including buildings, which are owned by site trustees including the Durham Diocesan Board of Finance or site trustees linked to the church (e.g. the Vicar and Church Wardens). The Academy Trust therefore occupies the land and buildings under a Church Supplemental land agreement licence. The continuing permission of the occupation is pursuant to, and subject to, the site trustee's charitable objectives and is part of the Church of England's contribution since 1847 to provide state funded education in partnership with the state. The licence delegates aspects of the management of the land and buildings to the Academy Trust, but does not vest any rights over the land in the Academy Trust. The site trustees have given an undertaking to the Secretary of State for Education that they will not give the Academy Trust less than two year's notice to terminate the occupation of the land and buildings. Having therefore considered the basis of which the Academy Trust is occupying the land and buildings the Trustees have concluded that the value of these land and buildings will not be recognised on the Academy Trust's balance sheet.

Reserves Policy

The level of reserves was reviewed by the Trustees regularly throughout the period as part of budget monitoring processes and the minimum level of reserves for the ongoing needs of the Academy Trust will be reviewed by Trustees on at least an annual basis and is set out in the Academy Trust's Financial Reserves Policy. This was reviewed for a sixth time in July 2021. This policy identifies potential risks to Trust's financial reserves, the need to match income with spending commitments in school budget setting and the nature of the reserves held. It also sets out a process for schools to apply for an advance of reserves in exceptional circumstances for one-off projects. In the most recent review a process was also agreed to enable the CEO to agree a payment from reserves for exceptional educational reasons where certain conditions are met. In reviewing the sufficient level of reserves required the Trustees have decided that the minimum level of reserves should equate to one calendar month's-worth of budgeted expenditure both in terms of salaries and invoices.

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

The Academy Trust's current level of reserves are in surplus by £1,408,000 (comprising £482,000 of restricted reserves (excluding pension and fixed assets) and £926,000 of unrestricted reserves) and are therefore considered more than sufficient for the ongoing needs of the Academy Trust.

The importance of reserves is recognised for the sustainability of the Academy Trust's operations and its capacity to deal with unforeseen events. Ongoing reviews of the strategic risks that the Academy Trust faces will help in informing the level of reserves required going forward.

Investment Policy

The Academy Trust operates an interest-bearing current account with a bank approved by the Board of Trustees currently Lloyds Bank and maintains sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

The Academy Trust's Treasury Management and Investment Policy allows for applicable monies surplus to the working requirements to be invested in low risk deposit accounts or in term deposits in regulated institutions. The Academy Trust will not take out any long-term deposits until a reliable cash flow pattern has been established, monies will only be paid into term deposits not exceeding six months. The Academy Trust will only deposit funds with bodies protected by the Financial Services Compensation Scheme.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Academy Trust are recorded and monitored on an operational basis in each Academy's risk register which link into the Academy Trust's overall strategic risk register which is overseen by the Trustees in line with the Academy Trust's Risk Management Policy.

Principal financial risks are centred on changes in the level of funding from the ESFA, nationally negotiated pay increases, the need for significant capital investment in the Academy Trust's estate, drops in pupil numbers due to the relatively small schools in the Academy Trust and the continued Membership of the Local Government Pension Scheme which could result in the recognition of a deficit on the Academy Trust's balance sheet. Trustees have implemented a number of controls to ensure financial risks are well managed.

The principal non-financial risks that the Academy Trust faces are focused around ensuring effective governance and leadership to drive up and maintain academic standards, managing attendance and behaviour of pupils and ensuring that safeguarding systems for the protection and well-being of the Academy Trust's pupils and staff are effective. The Academy Trust has sponsor capacity status and sponsors one primary school. This school currently holds a Special Measures judgment from Ofsted so this has been recorded as a specific risk on the risk register in light of the support required and potential for reputational risk. The Covid-19 pandemic also creates an additional financial and non-financial risk in terms of financial impact of staff absences and reduction in earned income, increase in Covid related cleaning and other expenditure and uncertainty around the educational impact and the lockdown periods.

Trustees have implemented a number of systems to assess and manage risks particularly in operational areas and these include the use of external health and safety consultants, robust safeguarding policies and procedures and ongoing CPD and training for all employees.

In addition, the Academy Trust has fully implemented the requirements of the Safer Recruitment procedures and all relevant staff have received training in this area.

Durham and Newcastle Diocesan Learning Trust

Trustees Report for the Year Ended 31 August 2021 (continued)

Fundraising

Fundraising is undertaken by each academy's Parent Teacher Association, equivalent committee or the academy itself at local level to fund activities and events for the children at each academy. None of the schools work with commercial participators or professional fundraisers and funds raised by fund raising are audited as part of the Academy Trust wide audit and also looked at through the programme of internal assurance. There have not been any complaints about fundraising but any complaints that were raised would be dealt with under the Academy Trust complaints policy. The schools and the Academy Trust only fund raise locally through events and by engagement with parents and the community. There is no use of intrusive or persistent fundraising approaches and no undue pressure to donate. Fundraising activities such as Christmas fairs and other events were severely affected and many could not take place or raise the same level of funds due to the impact of the Covid-19 pandemic.

Plans for Future Periods

The Academy Trust's objective is to provide outstanding education in schools, currently only primary schools, across the Diocese of Durham and now Newcastle. We hope to achieve this through our distinctive vision of inclusivity where every child matters and no child is ever left behind. Every school offers a broad and balanced curriculum with the aim of raising educational standards with a particular emphasis on characteristics that are deeply Christian. We aim to provide value for money; to comply with all statutory and curriculum requirements; and to conduct business with the highest standards of openness, probity and integrity.

Moving into 2021/22 the Academy Trust will review and develop its Strategic Plan and priorities as follows.

- (1) The Trust manages and recovers from Covid 19, by ensuring:-
 - All schools and work places are safe to pupils, staff and parents
 - All schools work pro-actively to minimise the impact of Covid-19 on outcomes (academic, financial and well-being)
 - Resources and wider strategies used effectively to have a positive impact on welfare and attendance and reduce impacts associated with Covid-19
- (2) All schools deliver a high-quality education with the aim that:-
 - All schools have a quality curriculum offer that is responsive to an ever-changing need.
 - All school staff have the skills, knowledge and resources to deliver a high quality remote/ blended learning offer.
 - All schools make effective use of all resources leading to accelerated progress or halting of regression
- (3) The Trust further develops and implements a growth strategy ensuring:-
 - The trust operates effectively and has the capacity and infrastructure for future growth
 - There is a clear growth strategy and the capacity in place to deliver it
 - There is effective oversight and direction from all layers of leadership (including governance) across the Trust

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

Durham and Newcastle Diocesan Learning Trust

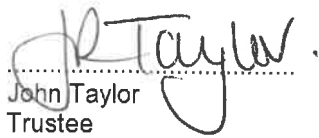
Trustees Report for the Year Ended 31 August 2021 (continued)

- 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.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Board on 16 December 2021 and signed on its behalf by:


.....
John Taylor
Trustee

Durham and Newcastle Diocesan Learning Trust

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the Durham and Newcastle Diocesan Learning Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform 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 the Durham and Newcastle Diocesan 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 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Full Name	Date of appointment	Term of office	Attend meetings at 2020/2021	Attendance at Finance, and Audit Risk Committee
			23/09/2020	25/11/2020
			25/11/2020	24/03/2021
			10/02/2021	14/07/2021
			24/03/2021	
			12/05/2021	
			14/07/2021	
John Taylor	3/7/2017	4 yrs	6/6	3/3
Paul Rickeard	3/7/2017	Ex-officio	6/6	Not on committee
Mark Stouph	3/7/2017	4 yrs	6/6	3/3
Tim Dillon	3/7/2017	4yrs	5/6	3/3
William Braviner	3/7/2017	4 yrs	5/6	2/3
Tim Jones	12/9/2018	4 yrs	5/6	2/3
Charlotte McCabe	04/10/2019	4 yrs	6/6	3/3
Jenny Wade	16/01/2020	4 yrs	6/6	3/3

Durham and Newcastle Diocesan Learning Trust

Governance Statement (continued)

The Board of Trustees has reviewed both financial and educational performance information at its regular Board meetings. These meetings took place virtually throughout the reporting period as a result of the Covid-19 pandemic. Trustees have also received the monthly management accounts for review via email from the Academy Trust's CFO.

The Board's Finance, Audit and Risk Committee deals with all matters relating to auditing, internal scrutiny, finance and risk management that may be referred by the Board of Trustees. Membership of this committee comprises all members of the Board with the exception of the CEO. This committee meets termly and attendance at these meetings is also detailed on the chart above. All meetings of this committee were virtual during the reporting period as a result of the Covid-19 pandemic.

The CEO reports on educational performance at each meeting of the Board following meetings with the Head Teachers of the schools and review of their school development plans. Review of the risk register and UK GDPR compliance are standing items at each board agenda along with policy review and updates from the Chief Operating Officer and CEO.

Governance Review

Governance Development 2020/21

The ongoing Covid-19 pandemic in 2020/21 presented extensive challenges to the education sector. The Academy Trust was faced with managing challenges related to the pandemic that were unprecedented in their scale and scope. Any developments related to governance in the Trust in 2020/21 must be seen in the context of this situation. It is to the great credit of all those involved in the governance of the Trust at Board and school level that governance continued to develop and flourish amidst these significant challenges. This was in part due to the strength of the governance framework that has continued to evolve since the Trust was formed in 2017 and the systems and structures that support those engaged in governance activity across the Trust.

Governance had proved to be resilient during the various lockdowns in 19/20 and this continued through 20/21. As the pandemic showed few signs of easing, both the Board and the Academy Councils adapted their ways of working to the conditions imposed by Covid-19-related restrictions which severely reduced in-person contact and communication. The Board of Trustees instigated remote governance across the Trust through the use of online technology to hold virtual Board and Academy Council meetings. This approach enabled the continuance of meetings with minimum disruption. The benefits of meeting virtually included increased attendance, less travel for many attendees and more focused meetings.

Given that there were no national changes to the roles and responsibilities of trustees and academy councillors during this period, those involved in governance in the Trust continued to fulfil their respective strategic roles at Trust and school level. At school level, Academy Councils provided challenge and support to school leaders as they developed new strategies for the delivery of remote learning, learning recovery activities, and pupil safeguarding and support. Risk assessments were more frequently updated by school leaders and signed off by Academy Councils and academy councillors spent a substantial amount of time on reading and interpreting Covid-19-related information, including DfE guidance, and supporting its application in their schools.

Durham and Newcastle Diocesan Learning Trust

Governance Statement (continued)

It is within this context that the following developments related to governance took place in the Trust in 2020/21.

- During 2020/21 the schools in the Trust continued to enjoy a single source of clerking and strategic governance support. This continued to ensure a consistent approach to governance across the Trust's schools which, in turn, has continued to raise the expectations of effective and efficient governance. The termly briefing meetings with Chairs continued throughout 2020/21 and these sessions continued to help refine and develop the Trust's governance arrangements. In addition to these regular briefings for Chairs, similar sessions for Vice Chairs were introduced in 20/21 with the purpose of defining a clear role for the Vice Chair in the Academy Council. This acknowledges the growing demand on Chairs and is an attempt to strengthen the leadership of the Academy Councils.

- At the Board's first meeting in September 2020, trustees acknowledged that, due to the restrictions imposed in relation to Covid-19, the governance activity expected of the Academy Councils in 20/21 may not be able to fully reflect the demands of the Trust's Cycle of Governance Activity. In order to ensure that the Academy Councils concentrated their efforts on a number of key areas, the Board used the agendas for each termly meeting of the Academy Councils to direct their activity towards those areas deemed to be of local and national significance – e.g. remote learning, arrangements for vulnerable children and the children of critical workers, staff and pupil emotional health and wellbeing, etc.

- Given the prioritisation on activity related to local and national areas of significance, all Academy Councils were still able to maintain some level of activity in relation to the Trust's agreed Cycle of Governance Activity. The cycle reflects the demands of the Trust's Scheme of Delegation and thus gives assurance to Trustees that the activity of the Academy Councils is delivering the responsibilities delegated to them. There were no changes to the Trust's Scheme of Delegation for 20/21.

- Whilst the Cycle of Governance Activity ensures that each school's governance activity is aligned with the expectations of the Trust's Scheme of Delegation, trustees had noted that this provided no feedback to the Board of Trustees on the impact of the work undertaken by each Academy Council. In an attempt to address this situation, the Board introduced an annual Academy Council Summary Report in 20/21 which required each Academy Council to identify its key successes in the year, its impact on improving standards and outcomes for pupils and its key governance developments for the following year. These have proved to be very helpful to the Trust in determining Trust-wide support needs related to governance for 21/22 and enabling the Board to see where each Academy Council has had a positive impact on improving standards and outcomes.

- At the heart of each Academy Council's governance activity is the expectation that each Academy Council will undertake a planned programme of monitoring activity that will support the Academy Council in making judgements about the progress being made against the school's key priorities for improvement. In 20/21, due to the restrictions related to Covid-19, very few of the Academy Councils were able to maintain the robust monitoring arrangements that they had previously developed. Technology was used to support some remote monitoring activity but, in general, most Academy Councils defaulted to monitoring through information and data provided by their respective Head Teachers.

- The management of risk continued to be an important element of the work of the Academy Councils in 20/21 but, due to circumstances, this became predicated on schools' own Risk Assessments related to Covid-19.

- There were a number of new appointments to the Academy Councils in 20/21 and this was the first year in which each Academy Council identified a mentor from within its membership to support any newly appointed academy councillors. Early indications are that this has been very successful and discussions have taken place about identifying mentors for newly appointed Chairs in 2021/22.

Durham and Newcastle Diocesan Learning Trust

Governance Statement (continued)

- The Board's annual strategy session in 2020/21 took place in February 2021, with the next session planned for November 2021. As part of the strategy session in February 21, the Board reviewed progress against the actions identified in its previous Governance Self-Review. From this review, the following areas for development were identified for 21/22:

i) Revise Trust growth plan in light of expansion to include Newcastle Diocese and consider growth to include secondary provision;

ii) Review future strategic leadership of Trust given development;

iii) Develop understanding of Ofsted's reviews of Trusts

- Since the formation of the Trust, a wide range of processes and procedures have been put in place to support the Trust's governance arrangements. These processes and procedures have now been formalised into a D&NDLT Governance Handbook and this was shared with trustees for their approval in July 2021. The D&NDLT Governance Handbook pulls together all the governance information, operating procedures and related activity for Members, Trustees and Academy Councillors into a single document that will act as a reference point to support the future growth of the Trust.

Despite the challenges faced during 2020/21, it is our view that the Trust adapted well to operating in the challenging context of the Covid-19 pandemic and proved to be highly responsive to the ever-changing situation. Covid-19 proved to be a real learning opportunity for the Trust and has made the Trust consider, for example, the role that technology could play in governance practice in the future. Looking ahead, the Trust's priority is in supporting schools to recover and re-engage pupils in learning and the role that governance plays in this will be a key aspect of the Trust's governance activity in 2021/22.

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 Durham Diocesan MAT for the period from 1 September 2020 to 31 August 2021 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 from 1 September 2020 to 31 August 2021 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:

Durham and Newcastle Diocesan Learning Trust

Governance Statement (continued)

- 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 Board of Trustees 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; and
- Identification and management of risks.

The supplementary procedures carried out include giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, checks carried out in the period included:

- Testing of ESFA, DfE & Local Authority income;
- Testing of purchasing & payments systems;
- Testing of bank, petty cash and debit card use;
- Testing of payroll systems and procedures; and
- Testing of policies which are in place at the Academy.

On a termly basis, the internal reviewer reports in writing to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities via a formal written report and presentation 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 internal reviewer has delivered the schedule of work as planned and recommendations have been acted on through revisions to the finance policy, meetings with school business managers and Head Teachers and change of payroll provider for two of the schools.

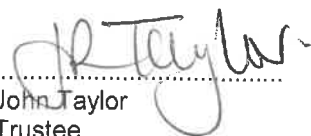
Review of Effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- The work of the external auditor; and
- The work of the CFO, COO and the Academy Trust financial consultants who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board on 16 December 2021 and signed on its behalf by:


.....
John Taylor
Trustee

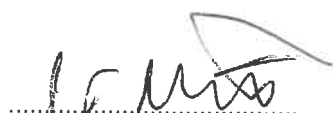
Durham and Newcastle Diocesan Learning Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Durham and Newcastle Diocesan Learning Trust I have considered my responsibility to notify the academy trust Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board and the ESFA. If any instances are identified after the date of this statement, these will be notified to the Board and ESFA



Paul Rickeard
Accounting officer

16 December 2021

Durham and Newcastle Diocesan Learning Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with the Academies Accounts Direction published by the Education 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:

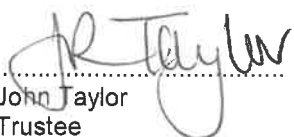
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

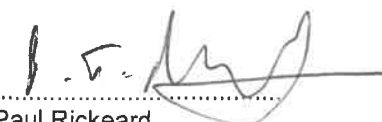
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the Board on 16 December 2021 and signed on its behalf by:


John Taylor
Trustee


Paul Rickeard
Trustee

Durham and Newcastle Diocesan Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Durham and Newcastle Diocesan Learning Trust

Opinion

We have audited the financial statements of Durham and Newcastle Diocesan Learning Trust (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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

Conclusions relating to going concern

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

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

Durham and Newcastle Diocesan Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Durham and Newcastle Diocesan Learning Trust (continued)

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters where 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 [set out on page 22], the trustees 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'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 or to cease operations, or have no realistic alternative but to do so.

Durham and Newcastle Diocesan Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Durham and Newcastle Diocesan Learning Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

- enquiries with management and those charged with governance about any known or suspected instances of non-compliance with laws and regulations and fraud; enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

Durham and Newcastle Diocesan Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Durham and Newcastle Diocesan Learning Trust (continued)

Use of our report

This report is made solely to the Academy's trustees, 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's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker,
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2021*

MHA Tait Walker is a trading name of Tait Walker LLP.

Durham and Newcastle Diocesan Learning Trust

Independent Reporting Accountant's Assurance Report on Regularity to Durham and Newcastle Diocesan Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Durham and Newcastle Diocesan Learning Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board's funding agreement with the Secretary of State for Education dated 1 November 2017 and the Academies Financial Handbook extant from 1 September 2020, 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 2020 to 2021. 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 from 1 September 2020 to 31 August 2021 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 available Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

Durham and Newcastle Diocesan Learning Trust

Independent Reporting Accountant's Assurance Report on Regularity to Durham and Newcastle Diocesan Learning Trust and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

MHA Tait Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *17th December 2021*

MHA Tait Walker is a trading name of Tait Walker LLP.

Durham and Newcastle Diocesan Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	52	-	702	754
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	133	8,414	-	8,547
Other trading activities	4	286	-	-	286
Investments	5	8	-	-	8
Total		479	8,414	702	9,595
Expenditure on:					
Raising funds	6	1	-	-	1
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	9,245	148	9,393
Total		1	9,245	148	9,394
Gains/losses on investment assets		51	-	-	51
Net income/(expenditure)		529	(831)	554	252
Transfers between funds		(694)	499	195	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	26	-	(189)	-	(189)
Net movement in (deficit)/funds		(165)	(521)	749	63
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		1,091	(3,869)	1,659	(1,119)
Total funds/(deficit) carried forward at 31 August 2021		926	(4,390)	2,408	(1,056)

Durham and Newcastle Diocesan Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	55	-	92	147
Transfer from local authority on conversion		-	(1,135)	46	(1,089)
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	111	7,393	-	7,504
Other trading activities	4	191	-	-	191
Investments	5	2	-	-	2
Total		359	6,258	138	6,755
Expenditure on:					
Raising funds	6	1	-	-	1
<i>Charitable activities:</i>					
Academy trust educational operations	7	1	7,957	88	8,046
Total		2	7,957	88	8,047
Net income/(expenditure)		357	(1,699)	50	(1,292)
Transfers between funds		(436)	268	168	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	26	-	(1,075)	-	(1,075)
Net movement in (deficit)/funds		(79)	(2,506)	218	(2,367)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		1,170	(1,363)	1,441	1,248
Total funds/(deficit) carried forward at 31 August 2020		1,091	(3,869)	1,659	(1,119)

Durham and Newcastle Diocesan Learning Trust

(Registration number: 10847279)

Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	12	2,013	1,589
Current assets			
Debtors	13	724	345
Current asset investments	14	551	-
Cash at bank and in hand		1,313	1,784
		<u>2,588</u>	<u>2,129</u>
Creditors: Amounts falling due within one year	15	<u>(785)</u>	<u>(685)</u>
Net current assets		<u>1,803</u>	<u>1,444</u>
Total assets less current liabilities		<u>3,816</u>	<u>3,033</u>
Net assets excluding pension liability		3,816	3,033
Pension scheme liability	26	<u>(4,872)</u>	<u>(4,152)</u>
Net liabilities including pension liability		<u>(1,056)</u>	<u>(1,119)</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	16	482	283
Restricted fixed asset fund	16	2,408	1,659
Restricted pension fund	16	<u>(4,872)</u>	<u>(4,152)</u>
		<u>(1,982)</u>	<u>(2,210)</u>
Unrestricted funds			
Unrestricted income fund	16	<u>926</u>	<u>1,091</u>
Total funds		<u>(1,056)</u>	<u>(1,119)</u>

The financial statements on pages 29 to 60 were approved by the trustees, and authorised for issue on 16 December 2021 and signed on their behalf by:



 John Taylor
 Trustee

Durham and Newcastle Diocesan Learning Trust

Statement of Cash Flows

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	(40)	374
Cash flows from investing activities	22	(408)	(121)
Cash flows from financing activities	21	<u>(23)</u>	<u>-</u>
Change in cash and cash equivalents in the year		(471)	253
Cash and cash equivalents at 1 September		<u>1,784</u>	<u>1,531</u>
Cash and cash equivalents at 31 August	23	<u><u>1,313</u></u>	<u><u>1,784</u></u>

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

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.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

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

Income

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

Grants

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

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

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

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Donations

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

Other income

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

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

Transfer on conversion

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

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class

Furniture and equipment
Computer equipment
Freehold land and buildings

Depreciation method and rate

7 years straight line
3 years straight line
125 years straight line

Liabilities

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

Provisions

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

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

Leased assets

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

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Investments

Current asset investments are included in the Balance Sheet at fair value. Fair value gains and losses are recognised in the Statement of Financial Activities.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 note 15. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Pension benefits

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

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

Fund accounting

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

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

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

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.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £148,000 (2020 - £88,000).

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment

In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Educational trips and visits	13	-	-	13	23
Capital grants	-	-	656	656	92
Other donations	39	-	46	85	32
	<u>52</u>	<u>-</u>	<u>702</u>	<u>754</u>	<u>147</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>55</u>	<u>-</u>	<u>92</u>	<u>147</u>	

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	6,269	-	6,269	5,683
Start Up Grants	-	-	-	-	50
Other ESFA Group grants	-	1,191	-	1,191	1,110
ITT Bursaries Grants	-	2	-	2	-
	-	7,462	-	7,462	6,843
Other government grants					
Local authority grants	-	826	-	826	531
	-	826	-	826	531
COVID-19 additional funding (DfE/ESFA)					
Catch-up Premium	-	116	-	116	-
	-	116	-	116	-
COVID-19 additional funding (non-DfE/ESFA)					
Other Coronavirus funding	-	10	-	10	19
	-	10	-	10	19
Non-government grants and other income					
Other income from the academy trusts educational operations	133	-	-	133	111
Total grants	133	8,414	-	8,547	7,504

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	111	7,393	-	7,504

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

The funding received for coronavirus exceptional support covers £10,274 of cleaning and catering costs. These costs are included in note 6 below as appropriate.

	2021 £ 000	2020 £ 000
Other DfE/ESFA Grants		
Rates reclaim	31	27
Pupil Premium and Service Premium	460	431
Universal Infant Free School Meals (UiFSM)	201	161
Sponsor Capacity Grant	-	62
PE and Sports Grant	157	134
Other	29	6
Teachers' Pay Grant	313	289
	<u>1,191</u>	<u>1,110</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	2020 £ 000
Hire of facilities	17	-	-	17	16
Catering income	4	-	-	4	4
Recharges and reimbursements	42	-	-	42	13
Other sales	212	-	-	212	146
Training income	11	-	-	11	11
Fundraising income	-	-	-	-	1
	<u>286</u>	<u>-</u>	<u>-</u>	<u>286</u>	<u>191</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>191</u>	<u>-</u>	<u>-</u>	<u>191</u>	

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Short term deposits	8	-	-	8	2
	<u>8</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>2</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	2	-	-	2	
	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	

6 Expenditure

	Non Pay Expenditure			Total 2021 £ 000	Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	-	-	1	1	1
Academy's educational operations					
Direct costs	5,812	-	577	6,389	5,589
Allocated support costs	1,432	610	962	3,004	2,457
	<u>7,244</u>	<u>610</u>	<u>1,540</u>	<u>9,394</u>	<u>8,047</u>
	Non Pay Expenditure			Total 2020 £ 000	
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Total 2020	6,130	466	1,451	8,047	
	<u>6,130</u>	<u>466</u>	<u>1,451</u>	<u>8,047</u>	

Net income/(expenditure) for the year includes:

	2021 £ 000	2020 £ 000
Operating lease rentals	12	9
Depreciation	148	88
Fees payable to auditor - audit	9	8
Fees payable to auditor - other audit services	3	7
	<u>172</u>	<u>102</u>

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Charitable activities

	2021 £ 000	2020 £ 000
Direct costs - educational operations	6,389	5,589
Support costs - educational operations	3,004	2,457
	<u>9,393</u>	<u>8,046</u>
Educational operations	Total	Total
£ 000	2021	2020
	£ 000	£ 000
Analysis of support costs		
Support staff costs	1,432	1,103
Depreciation	148	88
Technology costs	109	106
Premises costs	462	378
Legal costs	7	12
Other support costs	832	745
Governance costs	14	25
Total support costs	<u>3,004</u>	<u>2,457</u>

8 Staff

Staff costs

	2021 £ 000	2020 £ 000
Staff costs during the year were:		
Wages and salaries	5,057	4,406
Social security costs	462	388
Operating costs of defined benefit pension schemes	<u>1,556</u>	<u>1,237</u>
	7,075	6,031
Supply staff costs	112	88
Staff restructuring costs	<u>57</u>	<u>11</u>
	<u>7,244</u>	<u>6,130</u>
	2021	2020
	£ 000	£ 000
Staff restructuring costs comprise:		
Redundancy payments	<u>56</u>	<u>11</u>

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Staff numbers

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

	2021 No.	2020 No.
Charitable Activities		
Teachers	96	81
Administration and support	193	155
Management	9	9
	<u>298</u>	<u>245</u>

As of 1 September 2021 the Trust employed 215 staff. However, many Trust staff work under more than one contract to cover additional small part-time roles in school. This was particularly the case during the last reporting period as a result of the Covid-19 pandemic and the need for additional intervention and recovery work and also cover in areas such as cleaning and caretaking. This means the average staff numbers for the Trust, when based on number of contracts held, is 298.

The full time equivalent number of persons employed by the academy trust during the year was as follows:

	2021 No.	2020 No.
Charitable Activities		
Teachers	70	58
Administration and support	78	76
Management	9	14
	<u>157</u>	<u>148</u>

Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	-	1
£80,001 - £90,000	2	1
	<u>2</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £687,119 (2020 - £616,150).

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9 Central services

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

- Chief Executive Officer
- Chief Operating Officer
- Chief Finance Officer
- Audit Services
- Finance Management System
- Management Information System
- HR Service
- Finance Service
- Governance Service
- Leadership/H&S Support Service
- Payroll
- School Improvement Support

The academy trust charges for these services on the following basis:

6.00% of each schools' budget share, which the Academy Trust subsidised for the first year of operations only.

	2021 £ 000	2020 £ 000
Holy Trinity Church of England Primary School	50	50
Egglescliffe Church of England Primary School	36	38
St Aidan's Church of England Memorial Primary School	80	78
St Mary's Church of England Primary School	26	26
Bishopton Redmarshall Church of England Primary School	25	29
Heighington Church of England Primary School	61	56
Bishop Ian Ramsey Church of England Primary School	43	41
Ingleton Church of England Primary School	20	8
Stanhope Barrington Church of England Primary School	35	15
	<u>376</u>	<u>341</u>

10 Related party transactions - trustees' remuneration and expenses

No trustees are remunerated by Durham and Newcastle Diocesan Learning Trust. This is because the trustees who work for the central team are employed by and remunerated by Durham Diocesan Board of Finance and Newcastle Diocesan Education Board.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

10 Related party transactions - trustees' remuneration and expenses (continued)

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020 - £117) were reimbursed or paid directly to trustees (2020 - 1).

Other related party transactions involving the trustees are set out in note 27.

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Freehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
Cost				
At 1 September 2020	1,331	293	104	1,728
Additions	72	348	152	572
At 31 August 2021	1,403	641	256	2,300
Depreciation				
At 1 September 2020	25	62	52	139
Charge for the year	22	60	66	148
At 31 August 2021	47	122	118	287
Net book value				
At 31 August 2021	1,356	519	138	2,013
At 31 August 2020	1,306	231	52	1,589

The Academy Trust occupies land, including buildings, which are owned by the Durham Diocesan Board of Finance (the DDBF). The Durham Diocesan Board of Education (DDBE) acting through the DDBF are the providers of the academies on the same basis as when they were maintained schools. The Academy Trust therefore occupies the land and buildings under a licence. The continuing permission of the DDBF is pursuant to, and subject to, the DDBE and DDBF's charitable objectives and is part of the Church of England's contribution since 1847 to provide state funded education in partnership with the state. The licence delegates aspects of the management of the land and buildings to the Academy Trust, but does not vest any rights over the land in the Academy Trust. The DDBE and DDBF have given an undertaking to the Secretary of State for Education that they will not give the Academy Trust less than two years notice to terminate the occupation of the land and buildings. Having therefore considered the basis of which the Academy Trust is occupying the land and buildings the Trustees have concluded that the value of these land and buildings will not be recognised on the Academy Trust's balance sheet.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

13 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	12	8
VAT recoverable	48	48
Other debtors	3	-
Prepayments	97	108
Accrued grant and other income	564	181
	<u>724</u>	<u>345</u>

14 Current asset investments

	2021 £ 000	2020 £ 000
Shares held for resale or capital gains	<u>551</u>	<u>-</u>

The market value of the listed investments at 31 August 2021 was £550,978. If these investments had been held at historic cost the value would be £500,000.

At the year end, the following investments represented more than 5% of the total value of the investment portfolio:

CBF Church of England Funds - £550,978.

15 Creditors: amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade creditors	308	174
Other taxation and social security	110	102
ESFA creditor: abatement of GAG	-	23
Other creditors	-	1
Accruals	107	120
Deferred income	133	147
Pension scheme creditor	127	118
	<u>785</u>	<u>685</u>
	2021 £ 000	2020 £ 000
Deferred income		
Deferred income at 1 September 2020	147	98
Resources deferred in the period	133	147
Amounts released from previous periods	(147)	(98)
Deferred income at 31 August 2021	<u>133</u>	<u>147</u>

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Creditors: amounts falling due within one year (continued)

At the balance sheet date the Trust was holding funds received in advance in respect of ESFA Rates Relief, Universal Infant Free School Meals income, Early Years funding and trip income.

16 Funds

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant	283	6,269	(6,569)	499	482
Other DfE/ESFA	-	1,193	(1,193)	-	-
Other Government Grants	-	826	(826)	-	-
COVID-19	-	126	(126)	-	-
	<u>283</u>	<u>8,414</u>	<u>(8,714)</u>	<u>499</u>	<u>482</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grants	321	702	-	195	1,218
Assets Transferred on Conversion	<u>1,338</u>	<u>-</u>	<u>(148)</u>	<u>-</u>	<u>1,190</u>
	1,659	702	(148)	195	2,408
Restricted pension funds					
LGPS Pension	<u>(4,152)</u>	<u>-</u>	<u>(531)</u>	<u>(189)</u>	<u>(4,872)</u>
Total restricted funds	(2,210)	9,116	(9,393)	505	(1,982)
Unrestricted funds					
Unrestricted	<u>1,091</u>	<u>479</u>	<u>(1)</u>	<u>(643)</u>	<u>926</u>
Total funds	<u>(1,119)</u>	<u>9,595</u>	<u>(9,394)</u>	<u>(138)</u>	<u>(1,056)</u>

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant	101	5,683	(5,769)	268	283
Other DfE/ESFA	52	1,160	(1,212)	-	-
Other Government Grants	-	550	(550)	-	-
Other Income	-	79	(79)	-	-
	<u>153</u>	<u>7,472</u>	<u>(7,610)</u>	<u>268</u>	<u>283</u>
Restricted fixed asset funds					
DfE/ESFA Capital Grants	135	106	(88)	168	321
Assets Transferred on Conversion	<u>1,306</u>	<u>32</u>	<u>-</u>	<u>-</u>	<u>1,338</u>
	1,441	138	(88)	168	1,659
Restricted pension funds					
LGPS Pension	<u>(1,516)</u>	<u>(1,214)</u>	<u>(347)</u>	<u>(1,075)</u>	<u>(4,152)</u>
Total restricted funds	78	6,396	(8,045)	(639)	(2,210)
Unrestricted funds					
Unrestricted	<u>1,170</u>	<u>359</u>	<u>(2)</u>	<u>(436)</u>	<u>1,091</u>
Total funds	<u>1,248</u>	<u>6,755</u>	<u>(8,047)</u>	<u>(1,075)</u>	<u>(1,119)</u>

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 costs of the academy Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Other DfE/EFA grants, Local Authority grants and other income include insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £ 000	2020 £ 000
Bishop Ian Ramsey Church of England Primary School	96	98
Bishopton Redmarshall Church of England Primary School	259	264
Egglescliffe Church of England Primary School	124	197
Heighington Church of England Primary School	302	292
Holy Trinity Church of England Primary School	200	269
Ingleton Church of England Primary School	87	47
St Aidan's Church of England Memorial Primary School	214	178
St Mary's Church of England Primary School	35	4
Stanhope Barrington Church of England Primary School	(90)	(51)
Central services	181	76
Total before fixed assets and pension reserve	1,408	1,374
Fixed asset reserve	2,408	1,659
Pension reserve	(4,872)	(4,152)
Total	(1,056)	(1,119)

Stanhope Barrington Church of England Primary School is carrying a net deficit of £89,598 on these funds because:

The deficit is the result of significant financial challenges during the year of its conversion.

The trust is taking the following action to return the academy to surplus:

A plan was put in place for 19/20 and the school has managed to recover some of their deficit, this will continue with further in-depth reviews of cost savings and income generation opportunities.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2021 £ 000
Bishop Ian Ramsey Church of England Primary School Bishopton	584	195	15	157	951
Redmarshall Church of England Primary School	369	93	18	81	561
Durham Diocesan MAT	2	14	-	378	394
Egglescliffe Church of England Primary School	539	152	27	134	852
Heighington Church of England Primary School	878	223	34	189	1,324
Holy Trinity Church of England Primary School	758	251	46	215	1,270
Ingleton Church of England Primary School	271	105	14	99	489
St Aidan's Church of England Memorial Primary School	1,353	152	29	283	1,817
St Mary's Church of England Primary School	424	84	15	118	641
Stanhope Barrington Church of England Primary School	633	169	15	130	947
Academy Trust	5,811	1,438	213	1,784	9,246

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
Bishop Ian Ramsey Church of England Primary School	542	145	2	143	832
Bishopton Redmarshall Church of England Primary School	369	87	39	81	576
Durham Diocesan MAT	-	-	7	444	451
Egglescliffe Church of England Primary School	511	110	10	165	796
Heighington Church of England Primary School	808	231	41	154	1,234
Holy Trinity Church of England Primary School	732	161	33	207	1,133
Ingleton Church of England Primary School	96	36	3	16	151
St Aidan's Church of England Memorial Primary School	1,332	179	19	312	1,842
St Mary's Church of England Primary School	374	78	15	113	580
Stanhope Barrington Church of England Primary School	262	70	4	28	364
Academy Trust	5,026	1,097	173	1,663	7,959

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	2,013	2,013
Current assets	926	1,267	395	2,588
Current liabilities	-	(785)	-	(785)
Pension scheme liability	-	(4,872)	-	(4,872)
Total net assets	926	(4,390)	2,408	(1,056)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	1,589	1,589
Current assets	1,091	968	70	2,129
Current liabilities	-	(685)	-	(685)
Pension scheme liability	-	(4,152)	-	(4,152)
Total net assets	1,091	(3,869)	1,659	(1,119)

18 Capital commitments

	2021 £ 000	2020 £ 000
Contracted for, but not provided in the financial statements	372	-

19 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £ 000	2020 £ 000
Amounts due within one year	16	7
Amounts due between one and five years	47	2
	63	9

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

20 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

		2021 £ 000	2020 £ 000
Net income/(expenditure)		201	(1,292)
Depreciation	6	148	88
Capital grants from DfE and other capital income		(656)	(92)
Assets transferred on conversion from Local Authority		-	(32)
Interest receivable	5	(8)	(2)
Defined benefit pension scheme obligation inherited	26	-	1,214
Defined benefit pension scheme cost less contributions payable	26	462	306
Defined benefit pension scheme finance cost	26	69	41
Increase in debtors		(379)	(96)
Increase in creditors		123	239
Net cash (used in)/provided by Operating Activities		(40)	374

21 Cash flows from financing activities

	2021 £ 000	2020 £ 000
Repayments of borrowing	(23)	-
Net cash used in financing activities	(23)	-

22 Cash flows from investing activities

	2021 £ 000	2020 £ 000
Dividends, interest and rents from investments	8	2
Purchase of tangible fixed assets	(572)	(215)
Capital funding received from sponsors and others	656	92
Movement on current asset investments	(500)	-
Net cash used in investing activities	(408)	(121)

23 Analysis of cash and cash equivalents

	2018 £ 000	2020 £ 000
Cash at bank and in hand	1,313	1,784
Total cash and cash equivalents	1,313	1,784

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

24 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash	1,784	(471)	1,313
Loans falling due within one year	(23)	23	-
Total	1,761	(448)	1,313

25 Members' liability

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

26 Pension and similar obligations

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

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

Contributions amounting to £126,901 (2020 - £117,546) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both 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.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (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 2023.

The employer's pension costs paid to TPS in the period amounted to £768,990 (2020: £676,613).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 schemes Teesside Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £187,000 (2020 - £173,000), of which employer's contributions totalled £141,000 (2020 - £130,000) and employees' contributions totalled £46,000 (2020 - £43,000). The agreed contribution rates for future years are 15 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Middlesbrough Borough Council.

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.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.60	3.20
Rate of increase for pensions in payment/inflation	2.60	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	2.60	2.20

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	23.60	23.50
Retiring in 20 years		
Males retiring in 20 years	23.30	23.20
Females retiring in 20 years	25.40	25.30

Sensitivity analysis

	At 31 August 2021	At 31 August 2020
	£000	£000
Discount rate +0.1%	4,600	3,713
Discount rate -0.1%	4,851	3,915
Mortality assumption – 1 year increase	4,544	3,675
Mortality assumption – 1 year decrease	5,902	3,949
CPI rate +0.1%	4,751	3,835
CPI rate -0.1%	4,695	3,789

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

	2021	2020
	£ 000	£ 000
Equities	2,059	1,531
Property	190	161
Cash and other liquid assets	216	234
Other	138	89
Total market value of assets	2,603	2,015

The actual return on scheme assets was £444,000 (2020 - (£714,000)).

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	374	304
Interest income	(35)	(50)
Interest cost	65	63
Total amount recognised in the SOFA	404	317

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

	2021 £ 000	2020 £ 000
At start of period	3,812	3,315
Current service cost	374	304
Interest cost	65	63
Employee contributions	46	43
Actuarial (gain)/loss	469	98
Benefits paid	(43)	(11)
At 31 August	4,723	3,812

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

	2021 £ 000	2020 £ 000
At start of period	2,015	2,567
Interest income	35	50
Actuarial gain/(loss)	409	(764)
Employer contributions	141	130
Employee contributions	46	43
Benefits paid	(43)	(11)
At 31 August	2,603	2,015

Durham County Council Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £234,000 (2020 - £140,000), of which employer's contributions totalled £181,000 (2020 - £107,000) and employees' contributions totalled £53,000 (2020 - £33,000). The agreed contribution rates for future years are 15 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Durham County Council.

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.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.60	3.20
Rate of increase for pensions in payment/inflation	2.60	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	2.60	2.20

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

	2021	2020
Retiring today		
Males retiring today	22.30	22.20
Females retiring today	24.30	24.20
Retiring in 20 years		
Males retiring in 20 years	23.30	23.20
Females retiring in 20 years	25.80	25.70

Sensitivity analysis

	At 31 August 2021	At 31 August 2020
	£000	£000
Discount rate +0.1%	5,003	4,034
Discount rate -0.1%	5,276	4,254
Mortality assumption – 1 year increase	4,947	3,993
Mortality assumption – 1 year decrease	5,332	4,291
CPI rate +0.1%	5,163	4,163
CPI rate -0.1%	5,111	4,121

The academy trust share of the assets in the scheme were:

	2021	2020
	£ 000	£ 000
Equities	1,349	882
Corporate bonds	413	263
Government bonds	370	427
Property	148	127
Cash and other liquid assets	105	88
Total market value of assets	2,385	1,787

The actual return on scheme assets was £380,000 (2020 - £43,000).

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	410	239
Interest income	(32)	(27)
Interest cost	71	55
Total amount recognised in the SOFA	449	267

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

	2021 £ 000	2020 £ 000
At start of period	4,142	1,803
Transferred in on existing academies joining the trust	-	1,796
Current service cost	410	239
Interest cost	71	55
Employee contributions	53	33
Actuarial (gain)/loss	477	229
Benefits paid	(16)	(13)
At 31 August	5,137	4,142

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

	2021 £ 000	2020 £ 000
At start of period	1,787	1,035
Transferred in on existing academies joining the trust	-	582
Interest income	32	27
Actuarial gain/(loss)	348	16
Employer contributions	181	107
Employee contributions	53	33
Benefits paid	(16)	(13)
At 31 August	2,385	1,787

27 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. The following related party transactions took place in the financial period.

Durham and Newcastle Diocesan Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

27 Related party transactions (continued)

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Durham Diocesan Board of Finance

The Academy Trust was previously directly related to the Durham Diocesan Board of Finance due to its previous role as a corporate Member and its joint employment of the staff who provide officer services to the Academy Trust. However, since the change of the Trust Articles and Membership on 14 September 2020 the Durham Diocesan Board of Finance is no longer a Member or directly related party of the Trust. The Durham Diocesan Board of Education and the Newcastle Diocesan Education Board each nominate an individual member. There are no common Trustees with the Trust on either the NDEB or the DDBE. However, the NDEB and DDBF do jointly employ key staff (CEO, CFO and COO) who work under secondment agreements for the Trust as part of the central team. The Trust is invoiced for this time and, whilst the NDEB and DDBE are not directly related parties (for the purposes of the ESFA definition) in any event all officer time is provided at cost or less. For transparency, details are below:-

During the period, the Joint Education Team charged £131,335, (2020 - £123,122) of which 50% was paid to the Durham Diocesan Board of Finance and 50% to the Newcastle Diocesan Education Board in respect of support provided to the Academy Trust. There were also further transactions with NDEB totalling £1,020 in relation to specific projects. In addition £2,477 was paid to the DDBF as part of the basic partnering support agreement charged to all CofE schools within the Diocese..

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Durham Diocesan Board of Finance was £Nil (2020 - £28).

Northern Lights Learning Trust

Northern Lights Learning Trust is a related party by virtue of Mark Stouph being a common director.

During the period, Northern Lights Learning Trust charged £100 (2020 - £100) in respect of training provided to the Academy Trust.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Northern Lights Learning Trust was £Nil (2020 - £Nil).