

Company registration number 11395017 (England and Wales)

PELE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2024

PELE TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Directors' report	3 - 17
Governance statement	18 - 22
Statement on regularity, propriety and compliance	23
Statement of directors' responsibilities	24
Independent auditor's report on the accounts	25 - 28
Independent reporting accountant's report on regularity	29 - 30
Statement of financial activities including income and expenditure account	31 - 32
Balance sheet	33
Statement of cash flows	34
Notes to the accounts including accounting policies	35 - 61

PELE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr Gary Holmes
Ms Liane Atkin
Mr Gerry Miller
Mrs Maureen Bates
Rev James McGowan
The Rt Revd Bishop Mark Wroe

Directors

G Miller (Chair)
R Kohli
R Golightly
M Stromsoy
H Clear-Hill (Resigned 25 January 2024)
L Joicey
A Gibson
J McGowan (Resigned 19 July 2024)
P Dewesselow (Appointed 6 February 2024)
K Gianfreda (Appointed 6 February 2024)
R Kitching (Appointed 6 February 2024)
J Mitchinson (Appointed 23 September 2024)

Senior Leadership Team

- CEO	Kieran McGrane
- COO	Claire Leightley
- Deputy CEO	Lynn Blain
- Deputy CEO	Jim Balkwill
- Headteacher	Craig Shaw
- Headteacher	Victoria Parr
- Headteacher	Andrew Wheatley
- Headteacher	Claire Johnson
- Headteacher	Sharon Lock
- Headteacher	Stef McElwee
- Headteacher	Jonathan Heath
- Co-Headteacher	Alan Rogers and James Wilson

Company registration number

11395017 (England and Wales)

Registered office

The Crescent
Callerton Lane
Ponteland
Newcastle Upon Tyne
Tyne And Wear
NE20 9EG
United Kingdom

PELE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location
Belsay Primary School	Belsay
Darras Hall Primary School	Darras Hall
Heddon on the Wall St Andrew's CoE Primary School	Heddon on the Wall
Ponteland High School	Ponteland
Ponteland Primary School	Ponteland
Richard Coates CoE School	Ponteland
Duchess Community High School	Alnwick
John Spence High School	North Shields
Independent auditor (External)	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard TS22 5TB United Kingdom
Independent auditor (Internal)	TIAA Ltd Artillery House Fort Fareham Fareham PO14 1AH United Kingdom
Bankers	Lloyds Bank plc Newcastle Branch P O Box 1000 Bristol BS1 1LT United Kingdom
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne Tyne And Wear NE1 4BF United Kingdom

PELE TRUST

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The directors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024.

This annual report serves the purposes of a directors' report, trustees' report, and strategic report under company law, providing a comprehensive overview of the Trust's activities, governance, and financial performance during this period.

Pele Trust is a Multi Academy Trust (MAT) comprising eight schools—five primary and three secondary—serving pupils aged 3 to 18 across Northumberland and North Tyneside.

As of May 2024, the Trust had a total roll of 5,220 pupils. The table below shows the capacity of each school and pupil numbers as per the May 2024 school census:

School	Pupils as of May 2024	(Capacity) to August 2024
Belsay Primary School	83	(105)
Darras Hall Primary School	411	(420)
Heddon St Andrews C of E Primary School	194	(210)
Ponteland Primary School	421	(420)
Richard Coates C of E Primary School	308	(420)
Duchess High School	1,397	(1,500)
John Spence Community High School	856	(885)
Ponteland High School	1,550	(1,651)

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 Directors of Pele Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Pele Trust.

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

Members' liability

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

Directors' indemnities

The MAT participates in the DfE Risk Pool Arrangement which provides insurance to protect members, directors and governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business.

Method of recruitment and appointment or election of directors

The term of office for any director shall usually be 4 years, save that this time limit shall not apply to any post held ex officio. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

Parent Directors and parent members of the Academy Committees shall be appointed by the Board of Directors and each must be a parent at the time when he is elected or appointed.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Policies and procedures adopted for the induction and training of directors

The training and induction provided to new Directors is tailored based on their prior experience. During the reporting period, the Board inducted three new Directors, with training that included one-on-one sessions focused on school finance, financial reporting, and school data.

All Directors have access to the necessary resources to fulfil their roles, including policies, procedures, minutes, accounts, budgets, and strategic plans.

Pele Trust maintains a robust ongoing training programme for Directors, Academy Committee Chairs, and members. The CEO circulates a monthly briefing to Directors, Academy Committee members, and all staff, and also holds a termly briefing specifically for Academy Committee Chairs.

Additionally, the Chair of Directors hosts an annual governance and development conference. In this reporting year, the conference was held in September 2023 and was attended by Directors, Academy Committee members from all schools, and senior leaders. The event included the following well-attended workshops:

- School data
- SEND oversight, support, and challenge
- Asking the right questions to support a strong safeguarding culture
- Behaviour and attendance
- Effective school visits

Organisational structure

The structure of Pele Trust comprises three levels: Board of Directors, Academy Committees and the Executive Leadership Team. The aim of the management structure is to encourage involvement in decision making at all levels.

The Trust Scheme of Delegation defines clear roles and responsibilities for each tier within the organisation. The scheme, and the governance Terms of Reference, are reviewed annually.

The Directors are responsible for setting general policy, adopting an annual development plan, setting the annual budget, trust wide budget monitoring and making major decisions about the direction of the MAT, capital expenditure and senior staff appointments.

The management of the business of individual schools/academies shall be delegated by the Directors to the Academy Committee (AC). The role of the Academy Committee is to:

- Maintain an overview and keep the Directors properly informed of the conduct and progress of the Academy
- Act as a critical friend to the Headteacher and staff of the Academy
- Be accountable to the Directors, parents and the wider community for the AC's actions and the Academy's overall performance

The Executive Leadership Team (ELT) operate at an executive level implementing the policies defined by the Directors and managing operational school business. As a group, the ELT are responsible for the authorisation of spending within agreed budgets and cost centres. They are involved in the appointment of staff for posts at levels subordinate to themselves, through interview panels which always include at least one Academy Committee member or Director.

Each school has its own senior and middle leadership teams which may include Deputy Headteachers, Assistant Headteachers, Heads of Department/Faculty, Phase Leaders and Pastoral Leaders. These managers support Headteachers in the day to day operation of the academies, in particular organising the teaching staff, facilities and students.

Directors delivered their planned schedule of meetings in 2023-24 which ensured that governance and risk management remained robust. Academy Committees also delivered their planned schedule of meetings.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting pay and remuneration of key management personnel (CEO, Deputy CEO and COO) salaries have been set by Directors and are in accordance with government guidance.

Headteacher salaries have been set according to the school group parameters set within the national School Teacher Pay and Conditions. Guidance from this document has then been used to set the Deputy Headteacher and Assistant Headteacher salaries at each school at an appropriate level.

No extraneous payments or bonuses have been made to any member of the Board or Executive Leadership Team.

Trade union facility time

Pele Trust has entered into service level agreements with Northumberland County Council for support as employers and in support of their employees, to have access to Trade Union/Professional Association support and guidance from local school based representatives.

Related parties and other connected charities and organisations

The Trust has declared a relationship between Pele and Leading Learning (Education) Limited, who act as the SIP at John Spence High School.

Engagement with employees

The Board of Directors recognises that Pele Trust's most valuable asset is its staff and appreciates the importance of effective employee engagement. Trust-wide communication and engagement have taken place through the following initiatives:

- **Monthly CEO briefings to all staff**, providing updates on Trust activities such as financial and governance arrangements, school performance, training plans, and key achievements.
- **Regular contact between the CEO, Directors, and schools**, with each school having one or two named link Directors who attend Academy Committee meetings and school events as a minimum.
- **School improvement groups** that include Headteachers, Phase Leader groups, and curriculum-focused groups for Maths, English, Science, and Early Years, as well as SENDCO, Safeguarding, and Sixth Form networks.
- **Ongoing school improvement efforts**, including a peer review programme that involves colleagues from across all schools.
- **CEO Star of the Month awards**, where staff can nominate colleagues for exemplary performance, random acts of kindness, or notable achievements. This initiative has been well received, with high participation and engagement.
- **Senior leaders delivering National Professional Qualifications** (such as NPQSL and NPQH), with aspiring leaders across the Trust currently participating in these programmes.
- **Elected staff members on all Academy Committees**, which are also attended by the CEO and COO to maintain strong links with the Board of Directors.
- **Common appraisal objectives for all Pele Trust teaching staff**, focusing on an action research project aimed at improving teaching, learning, or academic outcomes. Each school held a dissemination evening in the summer term, attended by Academy Committee members and link Directors.

Pele Trust is committed to being an equal opportunities employer, actively supporting applications from disabled persons, ensuring fair treatment of employees who become disabled, and promoting their training, career development, and advancement.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Engagement with suppliers, customers and others in a business relationship with the academy trust

At Pele Trust, we prioritise effective engagement with all suppliers, customers, and partners, recognising the importance of building strong relationships that deliver value for money and high-quality services to our schools.

During the reporting period, we continued to strengthen our relationships with local suppliers, particularly for catering and building improvement projects. By working closely with these providers, we ensure not only a reliable supply chain but also competitive pricing that supports our budgetary goals. Our regular communication and collaborative approach with local suppliers foster trust and ensure that they understand the specific needs of our schools.

We also maintain relationships with larger, national suppliers for services such as IT platforms and educational resources. These suppliers are managed with the same level of engagement as local providers, ensuring that our procurement processes are consistent, transparent, and focused on achieving best value. Contracts are periodically reviewed and appraised, and we renegotiate where necessary to optimise both service quality and cost-effectiveness.

Additionally, in this reporting period, we have partnered with a procurement service offering the UK's first Ethical and Sustainable Dynamic Purchasing Systems. All tender exercises conducted during the year included sustainability scoring criteria, ensuring that our engagement with suppliers aligns with our commitment to ethical and sustainable procurement practices.

Our schools are well-integrated into their local communities, and we prioritise engagement with parents, carers, and other key stakeholders. Regular events such as parents' evenings, school performances, and community events provide opportunities for direct interaction between school staff, parents, and pupils, fostering a collaborative environment. Feedback from Ofsted has consistently praised our schools for creating "inclusive environments where pupils, parents, carers, and staff all feel a sense of belonging."

Of particular note this year has been the work of BOOST, a charity that partners with Duchess's Community High School. BOOST has played a vital role in supporting student wellbeing and offering additional opportunities for young people that go beyond the curriculum.

In 2023, BOOST celebrated 30 years of service, raising over £120,000 in the past four years through grants, donations, and fundraising events.

Academy Committees, which include parents and key community members, provide another valuable link between our schools and the wider community. These committees, along with regular communication through newsletters like the popular "Friday Flyer," keep parents informed and involved in the life of the school. This ongoing engagement ensures that parents and carers are well-informed customers, fully aware of the educational opportunities and activities available to their children.

We maintain regular, structured communication with our business and governance partners. The Board of Directors and senior leadership team engage regularly with the Education and Skills Funding Agency (ESFA) and other regulatory bodies, ensuring compliance with all funding and governance requirements. Directors are kept informed of updates to the Academies Handbook and other relevant guidelines to ensure the Trust remains aligned with best practices in governance and financial management.

Pele Trust also values its relationships with third-party service providers, such as auditors, legal advisors, and procurement partners. These relationships are managed through regular reviews and feedback mechanisms, ensuring that all partners understand our strategic goals and support the Trust's mission to provide high-quality education.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of its schools to provide education for students of different abilities between the ages of 3 and 18 with an emphasis on achievement in the widest sense.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Objectives, strategies and activities

In accordance with the articles of association the charitable company has adopted a Scheme of Government approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, funding arrangements, and that the curriculum should comply with the substance of the national curriculum with emphasis on the inclusion of core subjects including Maths, English and Science, RE, MFL and physical education

The strategic priorities of the trust during the year ended 31 August 2024 are summarised below:

- To raise standards of achievement in all Trust schools
- To ensure that the quality of education is outstanding in all Trust schools
- To develop an innovative, progressive and coherent curriculum (including enrichment opportunities) that supports seamless transition from primary to secondary school
- To ensure that all Trust schools are financially healthy and provide value for money
- To sustainably grow the Trust to 10-12 schools and 7500pupils
- To ensure sustained excellence in leadership and management at all levels in our Trust schools

At Pele Trust, our mission is clear: to build a learning community, brought together by choice, that enables our schools to support and challenge each other to provide consistently outstanding education whilst offering a stable pathway for students, parents and staff.

Our vision is to create a thriving learning community where every individual is happy, engaged, and supported. We value strong relationships, ensuring that every student and staff member is known, respected, and valued for who they are. Our commitment to continuous improvement drives us to offer the highest standards of education, challenge, and support.

Each Pele Trust school has a comprehensive commitment plan which sets out their strategic objectives - in keeping with trust values but reflective of each school's individual ethos, direction, strengths and areas for improvement.

Pele Trust is committed to ensuring that all students have equal access to the education on offer at its schools regardless of family circumstances. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all students are fully valued.

Public benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit. Directors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and have considered this guidance in deciding what activities the academy should undertake. In setting our objectives and planning our activities Directors have carefully considered the Charity Commission's general guidance on public benefit.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report

Achievements and performance

The review period has seen the trust achieve several significant milestones. Notably, two schools, John Spence High School and The Duchess's High School, joined the Trust in November 2023 and December 2023, respectively. This growth strengthens our commitment to delivering high-quality education across a broader community in the north east.

Trust leaders have continued the delivery of our bespoke Peer Review Programme throughout 2023/24. This programme focuses on key areas such as Behaviour and Attendance, Special Educational Needs and Disabilities (SEND), Personal Development, and, where relevant, Sixth Form and Early Years. To support newly appointed headteachers, we also commissioned external school improvement services as part of their induction and training. Peer reviews, supported by practicing Ofsted inspectors, play a vital role in enhancing the robustness and accuracy of school leaders' quality assurance and self-evaluation processes.

Collaboration across the Trust remains a central focus. At The Duchess's High School, partnerships with primary schools in Alnwick have been initiated to establish subject specialist networks, with History and Science as early focal points. These collaborations aim to improve subject expertise and alignment between primary and secondary education.

The Trust has also successfully leveraged external funding opportunities. Primary school pupils participated in enriching trips to France and Spain, supported by the British Council and the Turing Scheme. These experiences had a particularly positive impact on pupils from disadvantaged backgrounds, fostering cultural awareness and broadening horizons. Additionally, John Spence High School secured a £21,500 grant from the Local Authority Inclusion Fund. These funds facilitated enhancements to the Student Support Centre, effectively doubling its capacity and enabling the creation of a sensory room, further supporting student well-being and inclusion.

The Trust's Central Team provided vital operational support to John Spence High School when its catering services transitioned in-house after the unexpected withdrawal of the previous provider. This included recruiting a trained chef, devising menus, and securing supply chains. As a result, there has been a significant increase in meal uptake, ensuring a higher-quality service for pupils.

Primary School Outcomes

In 2024 there is no progress measure for KS2 as there were no KS1 assessments in 2020.

Pele Trust Performance across these measures

1. End of Reception Good Level of Development (GLD) - National 67.2%

School	Number on Roll	Number of pupils with GLD	Percentage of pupils with GLD
Belsay	13	11	84.6%
Darras Hall	53	39	73.6%
Heddon	30	28	93.3%
Ponteland	60	50	83.3%
Richard Coates	44	36	81.8%
Pele Trust	200	164	83.3%

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

All schools were above the national average of 67.2%.

2. Key Stage 1 (Year 1) Phonics check - National 68% (2023)

School	Number on Roll	School Average	Number of pupils working at expected standard	Percentage of pupils working at expected standard
Belsay	10	35.5	9	90.0%
Darras Hall	60	38.2	60	100%
Heddon	24	34.0	20	83.3%
Ponteland	60	35.0	56	93.3%
Richard Coates	44	33.5	36	81.8%
Pele Trust	198	35.1	181	91.4%

3. Key Stage 2 (Year 4) Multiplication Tables Check (MTC) - National mean score- 19.6

School	Number on Roll	School Average	Number of pupils completed	Percentage of pupils completed
Belsay	10	24.1	10	100%
Darras Hall	60	22.0	60	100%
Heddon	25	20.2	25	100%
Ponteland	60	20.5	58	96.7%
Richard Coates	49	18.6	47	95.9%
Pele Trust	204	21.1	200	98.5%

4. Key Stage 2 (Year 6) Standardised Assessment Tests (SATs)

Mathematics - National 72% EXP+

	Number of pupils	Working Below	%	Working Towards	%	Expected	%	Expected+	%	Greater Depth	%
Belsay	16	2	13	0	0	5	31	14	88	9	56
Darras Hall	59	3	5	4	7	25	42	52	88	27	46
Heddon	31	0	0	2	6	10	32	28	90	18	58
Ponteland	60	6	10	7	12	32	53	45	75	13	22
Richard Coates	54	3	6	7	13	35	65	44	81	9	17

All schools above national

Reading - National 74% EXP+

	Number of pupils	Working Below	%	Working Towards	%	Expected	%	Expected+	%	Greater Depth	%
Belsay	16	1	6	0	0	7	44	14	88	7	44
Darras Hall	59	5	8	8	14	28	47	46	78	18	31
Heddon	31	0	0	0	0	12	39	30	97	18	58
Ponteland	60	8	13	7	12	32	53	43	72	11	18
Richard Coates	54	2	4	5	9	32	59	46	85	14	26

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Writing - National 73% EXP+

	Number of pupils	Working Below	%	Working Towards	%	Expected	%	Expected+	%	Greater Depth	%
Belsay	16	2	13	2	13	8	50	12	75	4	25
Darras Hall	59	0	0	11	19	39	66	48	81	9	15
Heddon	31	1	3	7	23	16	52	23	74	7	23
Ponteland	60	6	10	7	12	32	53	45	75	13	22
Richard Coates	54	2	4	9	17	31	57	43	80	12	22

Pupils achieving Reading, Writing and Maths Combined - National 61%

Pele Trust Primary School	% pupils achieving Expected Standard in Reading, Writing & Maths
Belsay	75%
Darras Hall	69%
Heddon	73%
Ponteland	60%
Ricahrd Coates	72%

Key Stage 4 Outcomes

KS4 data	EM5+	EM4+	A8	P8*	EBacc APS
National	47.5% (47.3%)	67% (68%)	47.2 (47.9)	0.00	-
DCHS	35% (38%)	60% (59%)	43.1 (42.2)	-0.23 (-0.22)	3.56 (3.55)
JSCHS	34% (37%)	58% (66%)	41.1 (43.3)	-0.53 (-0.38)	(3.71)
PHS	62% (52%)	81% (71%)	56.1 (50.2)	+0.13 (-0.18)	5.19 (4.48)

*P8 scores are provisional
2023 outcomes in brackets

EM5+ - % of pupils achieving grade 5 or above in English and maths

EM4+ - % of pupils achieving grade 4 or above in English and maths

Attainment 8 is a score based on how well students have performed in up to eight qualifications, which include English; maths; three English Baccalaureate qualifications including sciences, computer science, history, geography and languages; and three other additional approved qualifications.

Progress 8 shows how much progress pupils made between the end of Key Stage 2 (Year 6) and the end of Key Stage 4 (Year 11), compared to pupils across England who got similar results at the end of KS2. This score is based on results in up to eight qualifications; these include English; maths; three English Baccalaureate qualifications including sciences, computer science, history, geography and languages; and three other additional approved qualifications.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Key performance indicators

A score above zero means pupils made more progress, on average, than pupils across England who got similar results at the end of KS2. Our provisional Progress 8 score is -0.17.

The English Baccalaureate is a measure of students entered for qualifications in English, maths, sciences, a language and either history or geography. Standard passes are at Grade 4 with Strong passes at Grade 5.

Post 16 Outcomes

Whole Cohort Data: Level 3 qualifications (Y13 2023-24)

1. Academic Results, including A Levels; AS Levels; EPQ

Academic	Ponteland High School	Duchess High School
No. students	137	123
Ave. points per entry	35.6	32.98
Expressed as a grade	B-	C+
Entries	Count	Count
All	464	357
A* - A	140 (30.2%)	76 (21.3%)
A* - B	246 (53.1%)	161 (45.1%)
A* - C	346 (74.6%)	250 (70%)
A* - D	417 (89.9%)	322 (90.2%)
A* - E	454 (97.8%)	352 (98.6%)

2. Applied General Results, courses:
BTEC Applied; CTECs

Applied General	Ponteland High School	Duchess High School
No. students	45	23
Ave. points per entry	32.9	30.22
Expressed as a grade	Distinction -	Merit +
Entries	Count	Count
All	61	32
A* - A	15 (24.6%)	4 (12.5%)
A* - B	15 (24.6%)	12 (37.5%)
A* - C	34 (55.7%)	25 (78.1%)
A* - D	53 (86.9%)	31 (96.9%)
A* - E	61 (100%)	31 (96.9%)

PELE TRUST

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

3. Tech Level Results: Cambridge Introductory Diploma

Tech Level	Ponteland High School	Duchess High School
No. students	6	30
Ave. points per entry	26.7	36.40
Expressed as a grade	Merit +	Dist=
Entries	Count	Count
All	6	36
A* - A	0 (0%)	8 (22.2%)
A* - B	0 (0%)	22 (61.1%)
A* - C	2 (33.3%)	31 (86.1%)
A* - D	5 (83.3%)	36 (100%)
A* - E	6 (100%)	36 (100%)

Directors have reviewed academic performance in detail and are satisfied that pupils have achieved well. Results will be used to inform areas for school improvement and support.

Going concern

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

Promoting the success of the company

Directors are committed to promoting the success of the trust by acting in a way that ensures its long-term sustainability and delivers its charitable purpose. Decisions are made with careful consideration of their long-term impact, the interests of staff, and the need to foster positive relationships with suppliers, partners, and the wider community.

Environmental and societal impacts are actively considered as part of the trust's strategic objectives, alongside maintaining a reputation for high standards of conduct and fairness. Recent commitments to focusing on reducing carbon emissions and promoting sustainability in its operations, including the installation of energy-efficient lighting and working with single suppliers to reduce deliveries to schools, is a start towards long-term environmental sustainability while delivering cost savings. This decision reflects the directors' commitment to considering the long-term impact of operational changes on both the trust's financial health and the environment.

The trust provides access to mental health resources and professional development opportunities for staff, demonstrating regard for the interests of employees and fostering a positive working environment. Similarly, the trust supported community partnerships, such as a subject-specialist network between secondary and primary schools, to enhance the quality of education across the wider community.

As a charitable company qualifying under the Companies (Miscellaneous Reporting) Regulations 2018, the trust embeds these principles into its governance and decision-making processes to support the delivery of its core mission and values.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

The financial statements show the movement on restricted and unrestricted funds.

Total funds of the trust, as at 31 August 2024, amount to £6,298,456. £3,588,349 of this is freely available because the balance is invested in fixed assets or has a restriction for other purposes. The Directors have assessed the level of available free reserves and are confident that there are sufficient levels of reserves to meet current operating needs.

The overall in year position for the Trust was positive. That said, several schools closed with an in-year deficit, although positions were better than originally forecasted. It remains the case however, that the overall Trust surplus of £618,898 was more than initially forecast which is largely down to staff movement throughout the year, some additional income and careful management of expenditure.

Most schools rising in year deficits can be attributed to increasing staffing costs. Whilst pay awards may be funded, annual progression is not and that can account for a significant annual increase in some schools. Falling pupil numbers at John Spence and Richard Coates have also had an impact in the reporting period. The majority of the surplus continues to sit in Ponteland High School and Darras Hall Primary school.

A planned £1,000,000 transfer from Pont High School to Trust reserves was successfully executed in order to ensure sufficient funding for Trust-wide priorities and reserves. Funds may be used for centrally delivered support services to schools in need although the majority will be held in reserves and managed in accordance with the Trust Reserves Policy.

Liabilities in relation to the Local Government Pension Scheme amounting to £nil are included in the restricted funds. The valuation produced an asset position at the year end, this has been capped at zero following advice and a report from the actuaries.

The Trust faces key financial risks, including increasing staffing costs due to national pay awards, rising costs associated with supporting pupils with special educational needs and disabilities (SEND), and the likelihood of flat or reduced government funding. To mitigate these risks, the Trust is actively monitoring budgets, maintaining reserves, and exploring cost-efficiency measures to ensure financial sustainability.

The majority of Trust income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2024 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Reserves policy

The directors have assessed financial risks as part of the strategic risk management process, evaluating both their potential impact and likelihood. Key financial risks include managing short-term cash flow effectively, fluctuations in pupil numbers, rising staffing and energy costs, significant building issues, long-term staff absences, and equipment failures.

As of 31 August 2024, the Trust held centrally managed reserves of £1,440,923, made up of £1,000,000 Pele Trust reserves and £440,923 of central services/SCITT balances. Total reserves amounted to £46,419,972, of which £40,121,516 could only be accessed through the disposal of tangible fixed assets.

While the Trust's reserves exceed the levels defined in its Reserves Policy, the directors acknowledge the importance of maintaining a higher reserve balance given the ongoing uncertainty surrounding government funding for education. This ensures the Trust can cover essential costs and maintain stability until funding policies are clarified.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Investment policy

Again in 2023/24, the directors approved the allocation of funds into higher-interest bank accounts. The investment strategy was carefully designed to minimise risk, with funds distributed across fixed-term interest accounts ranging from 35 days to 12 months. All accounts are held with UK-based banks, ensuring security and stability. Interest earned to date has been reinvested to further enhance returns.

Any remaining free funds are held in cash deposit accounts with Lloyds Bank, earning interest at competitive market rates.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Principal risks and uncertainties

The Trust has robust risk management processes in place, which are reviewed regularly by Academy Committees and Directors. Directors continue to identify and assess the risks to which the Trust is exposed and develop systems to mitigate any exposure to major risks.

The trust is subject to a number of risks and uncertainties in common with other academies. The trust has in place procedures to identify and mitigate financial risks, primarily through the production of monthly management accounts and Director board meetings.

Risks which are regularly under review are:

Category	Risk rating	Controls
Estates Management (safety and compliance)	Stable	Effective
Student welfare	Stable	Effective
Leadership and Management	Stable	Effective
Recruitment	Unstable	Ineffective
Pupil outcomes	Stable	Effective
Safeguarding compliance	Stable	Effective
School Governance	Stable	Effective
Safeguarding culture	Stable	Effective
Quality of education	Stable	Effective
Personal Development	Stable	Effective
Attendance	Stable	Effective
Parents and community	Stable	Effective
Pupil Numbers	Unstable	Ineffective
Trust Growth	Stable	Effective

The management of the estate remains a focus area during this reporting period, with significant investment made at all schools to support building compliance and the learning environment. The cost of the PFI at Duchess presents a challenge for the school although this is managed through usual budgetary controls.

Year 7 pupil numbers at John Spence will fall to 50 below PAN from September 2024 which will present the school with future budgetary challenges should those spaces not be filled over time.

Recruitment of some support staff remains a challenge at all schools however most key posts have been filled, albeit from smaller fields.

Fundraising

Pele Trust does not use any external fundraisers.

Opportunities to raise funds are primarily school based at events such as school fairs, sponsored events and school performances. In a normal year, the majority of proceeds from school fundraising activities are donated to a named charity except when fundraising is to raise money for the school in which case it is accepted into the school account.

Some subject areas such as Food Technology may request a voluntary donation from parents towards the cost of materials for student projects and parents are asked to make a voluntary contribution towards the cost of transport to swimming lessons.

Any fundraising will be monitored by Directors.

PELE TRUST

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Streamlined energy and carbon reporting

The Trust reports the following energy use for the period 1 September 2023 to 31 August 2024:

	2024	2023
	kWh	kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	1,551,641	979,016
- Fuel consumed for transport	29,646	11,805
- Electricity purchased	1,884,905	885,196
	<u>3,466,192</u>	<u>1,876,017</u>
	2024	2023
	metric tonnes	metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	283.80	178.73
- Fuel consumed for owned transport	2.56	0.31
	<u>286.36</u>	<u>179.04</u>
Scope 2 - indirect emissions		
- Electricity purchased	390.27	141.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Pele Trust (the MAT)	4.53	2.81
	<u>681.16</u>	<u>322.85</u>
Total gross emissions		
	<u>681.16</u>	<u>322.85</u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	<u>0.13</u>	<u>0.12</u>

The addition of two large secondary schools has obviously increased energy consumption compared to last year. This pattern will continue as the Trust continues to grow.

Students across Pele Trust schools continue to be actively involved in reducing their carbon footprint and promoting energy efficiency. High School's encourage "Meat-Free Mondays," where all school meals are vegetarian, the switch to wooden cutlery instead of single-use plastics, increasing the line of drinks for sale in recyclable packaging and increasing efforts to encourage the use of reusable bottles.

Our primary schools have earned Eco Schools Green Flag and Silver Awards, reflecting their commitment to sustainability. Additionally, several schools have participated in initiatives like Walk to School Week and The Big Pedal, maintaining a strong focus on waste management and energy conservation.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Plans for future periods

The growth of Pele Trust continues to be a key priority for Directors. During the past year, significant progress has been made in strengthening relationships within the Alnwick partnership. This collaboration has culminated in seven primary schools and one secondary school consulting to join Pele Trust. These applications are scheduled to be heard by the North East Advisory Board in December 2024, reflecting the Trust's ongoing expansion and influence within the region.

The addition of these schools would further enhance the Trust's capacity to deliver high-quality education and foster collaboration across a broader community. This follows the successful integration of two secondary schools last year, which doubled the Trust's size in terms of revenue and pupil numbers. The Trust and its schools remain committed to leveraging this growth to strengthen partnerships, provide mutual support, and enhance outcomes for approximately 5,500 pupils.

Looking forward, Directors remain steadfast in their commitment to:

- Raising standards of achievement across all Trust schools.
- Ensuring the quality of education is consistently outstanding.
- Developing an innovative, progressive, and coherent curriculum that includes enrichment opportunities and supports seamless transition from primary to secondary education.
- Maintaining financial health and delivering value for money in all Trust schools.
- Sustaining excellence in leadership and management at all levels.
- Exploring further opportunities for sustainable growth to expand the Trust's impact.

This strategic focus underscores the Trust's dedication to continuous improvement and its ambition to provide outstanding education for every pupil.

Auditor

In so far as the directors are aware:

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

The directors' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 12 December 2024 and signed on its behalf by:



G Miller
Chair

PELE TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

Scope of responsibility

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

As Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook.

The Board of Directors has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Pele Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

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

The information on governance included here supplements that described in the Directors Report and in the Statement of Directors Responsibilities.

Attendance during the year at meetings of the board of directors was as follows:

Directors	Meetings attended	Out of possible
G Miller (Chair)	10	11
R Kohli	6	8
R Golightly	8	8
M Stromsoy	8	11
H Clear-Hill (Resigned 25 January 2024)	3	3
L Joicey	8	8
A Gibson	5	8
J McGowan (Resigned 19 July 2024)	3	8
P Dewesselow (Appointed 6 February 2024)	3	6
K Gianfreda (Appointed 6 February 2024)	6	6
R Kitching (Appointed 6 February 2024)	5	6
J Mitchinson (Appointed 23 September 2024)	0	0

*5 x Full Board, 3 x Resources sub Board, 3 x Achievement and Standards sub Board

Full details of attendance are available at the Pele Trust website www.peletrust.org.uk

The Board of Directors comprises experts and senior leaders from finance, commerce, legal and education backgrounds. There has been a number of changes to the Board this year, with the resignation of the Vice Chair and the Diocesan elected Director. The Board took the opportunity to review its skill set and successfully appointed 3 additional Directors with backgrounds in education, audit and marketing. An existing Director accepted the Diocese's nomination to represent them. Directors are likely to recruit 1 additional Director during the next reporting period.

PELE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

In addition to the full board there are two sub boards; Resources and Achievements and Standards

The Resources sub-Board is responsible for:

- Monitoring of schools' budgets, schools' resources and estates management
- Ensuring the Pele Trust resources are managed in accordance with charity law
- Benchmarking financial spends across the MAT
- Ensuring value for money in all MAT schools, including joint procurement
- Ensuring financial reporting and auditing to the ESFA and other bodies is completed within agreed timescales

The Achievement & Standards sub-Board is responsible for:

- Monitoring and comparing the performance of the Trust school
- Planning strategic support for schools who are at risk of under performance against agreed key performance indicators
- Making recommendations to Members about the Pele Trust growth strategy.

Conflicts of Interest

All Directors, and Academy Committee Members, complete a declaration of pecuniary interests and this is refreshed at the beginning of each academic year.

Declaration of interests in agenda items, and updates to pecuniary interests, are a standing agenda item at every Board and Academy Meeting.

The Chief Operating Officer maintains the Director register of interests and has a clear view on where any conflict could potentially exist.

Governance reviews

During the year, Directors conducted an internal skills assessment following the resignation of two longstanding directors. This self-assessment evaluated the current expertise and experience within the Board to identify any skill gaps and ensure effective governance. The assessment highlighted the need for expertise in audit and educational leadership, which has informed the recruitment of new directors.

While no external governance review was undertaken this year, the Trust will commission an further independent external review of governance in the future as part of its ongoing self-assessment and improvement programme. This aligns with best practice and the Trust's commitment to maintaining high standards of governance.

The Board will continue to monitor its composition and effectiveness to ensure it remains well-equipped to deliver the Trust's strategic priorities.

PELE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Review of value for money

As accounting officer, Kieran McGrane, has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- **Delivering Central Support Services:** The Trust continues to provide essential central support services to all schools through a lean, efficient team, leveraging external consultants for specialist advice when required.
- **Strategic Recruitment:** Recruitment activities are conducted with careful consideration, ensuring that key positions are overseen by members of the executive team to maintain high standards and align with the Trust's strategic goals.
- **Enhancing School Environments:** Significant improvements to school environments, including projects designed to reduce ongoing maintenance costs. Notably, the replacement of a boiler at John Spence High School has been completed as part of this effort.
- **Shared Business Management Functions:** The Trust delivers shared business management support functions through its Central Services team, optimising resources and expertise across schools.
- **Facilities and Maintenance Support:** The Trust continues to support schools in delivering facilities management, statutory compliance, and grounds maintenance. These services enable schools to maintain and improve their buildings in ways that would not have been possible as standalone or maintained schools.
- **Expanding School Improvement Initiatives:** The Trust is further developing its school improvement offerings and secured funding for bespoke leadership training and targeted school improvement activities.
- **Streamlining Procurement:** Large-scale procurement initiatives are being undertaken, including the appointment of new cleaning contractors for September 2024 and the identification of a single provider for general educational resources to ensure cost efficiency and consistency across the Trust.

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 effectively, efficiently and economically. The system of internal control has been in place in Pele Trust for the reporting period 2023/24 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors have adopted a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors. Consideration has been given in the period as to the need to create a separate committee to oversee risk. The decision to do so has been deferred until such time as the Trust meets the statutory requirement. Directors are however delighted to have appointed an Auditor to the Board.

PELE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors
- Regular reviews by the Resources sub-Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

From inception in February 2019, the Board of Directors considered the need for a specific internal audit function to act independently of the Trust. TIAA were appointed to deliver internal assurance in 2020 and, as per FRC Ethical Standards, the function is independent of the external auditor.

The remit of the internal auditor is:

- Ensuring that internal controls established by the Trust are suitable for the needs of the Trust
- Monitoring compliance with and effectiveness of the internal controls
- Identifying areas of business risk and review the risk management arrangements
- Advising of improvements to systems
- Reporting on testing activities to Board and the Resources sub-Board where required
- Following progress of recommendations
- Liaising and coordinating with the external auditors to ensure full exchange of information.

In particular, the checks carried out in the current period included:

- Appraisal processes
- Cyber Security
- Procurement

Directors receive the audit reports on a termly basis, through the Resources sub-Board and are aware of key findings, recommendations and conclusions. As the Trust grows, Directors will need to give consideration to reviewing how risk is managed at Board level, and whether a separate committee is required.

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:

- Internal audit reviews
- The work of the external auditor
- ESFA assurance audit
- The financial management and governance self-assessment process
- The work of the executive leaders within the Trust who have responsibility for the development and maintenance of the internal control framework
- Correspondence from ESFA

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

PELE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of directors is of the opinion that the Pele Trust (the MAT) has an adequate and effective framework for governance, risk management and control.

Approved by order of the board of directors on 12 December 2024 and signed on its behalf by:



G Miller
Chair

PELE TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2024

As accounting officer of Pele Trust, I have considered my responsibility to notify the Trust Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, under the funding agreement in place between the Pele Trust (the MAT) and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023, including responsibilities for estates safety and management.

I confirm that I and the Pele Trust (the MAT)'s board of directors are able to identify any material irregular or improper use of funds by the Pele Trust (the MAT), or material non-compliance with the terms and conditions of funding under the Pele Trust (the MAT)'s funding agreement and the Academy Trust Handbook 2023.

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



K McGrane
Accounting Officer

12 December 2024

PELE TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

The directors (who also act as trustees for Pele Trust) are responsible for preparing the directors' report and the accounts in accordance with the Academies Accounts Direction 2023 to 2024 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 directors to prepare accounts for each financial year. Under company law, the directors must not approve the accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors 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 accounts 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 directors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of directors on 12 December 2024 and signed on its behalf by:



G Miller
Chair

PELE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PELE TRUST FOR THE YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the accounts of Pele Trust for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 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 2023 to 2024.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Pele Trust (the MAT) in accordance with the ethical requirements that are relevant to our audit of the accounts 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 directors' 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 Pele Trust (the MAT)'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the directors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

PELE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PELE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Pele Trust (the MAT) and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, including the incorporated strategic report.

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the directors are responsible for assessing the Pele Trust (the MAT)'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 directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

PELE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PELE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2023 to 2024 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

PELE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PELE TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Use of our report

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



Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

17/12/2024
.....

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
United Kingdom
TS22 5TB

PELE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

In accordance with the terms of our engagement letter dated 21 August 2024 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pele Trust during the period 1 September 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Pele Trust's funding agreement with the Secretary of State for Education dated 30 January 2019 and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. 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 period 1 September 2023 to 31 August 2024 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 Pele Trust (the MAT)'s income and expenditure.

PELE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2024

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Audit reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

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 period 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated:17/12/24.....

PELE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2024 £	Total 2023 £
Income and endowments from:						
Donations and capital grants	3	83,499	-	940,265	1,023,764	873,382
Donations - transfer from local authority on conversion	29	1,049,541	(271,000)	13,870,549	14,649,090	-
Charitable activities:						
- Funding for educational operations	4	1,082,450	31,671,614	-	32,754,064	18,273,442
Other trading activities	5	1,268,136	-	-	1,268,136	906,969
Investments	6	278,989	-	-	278,989	102,493
Total		3,762,615	31,400,614	14,810,814	49,974,043	20,156,286
Expenditure on:						
Raising funds	7	1,096,523	17,867	-	1,114,390	604,462
Charitable activities:						
- Educational operations	9	1,082,450	32,855,061	1,355,548	35,293,059	20,645,022
Total	7	2,178,973	32,872,928	1,355,548	36,407,449	21,249,484
Net income/(expenditure)		1,583,642	(1,472,314)	13,455,266	13,566,594	(1,093,198)
Transfers between funds	20	-	420,570	(420,570)	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	22	-	307,000	-	307,000	1,207,000
Adjustment for restriction on pension assets	22	-	(114,000)	-	(114,000)	-
Net movement in funds		1,583,642	(858,744)	13,034,696	13,759,594	113,802
Reconciliation of funds						
Total funds brought forward		2,004,707	2,309,263	28,346,408	32,660,378	32,546,576
Total funds carried forward		3,588,349	1,450,519	41,381,104	46,419,972	32,660,378

PELE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

Comparative year information Year ended 31 August 2023	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2023
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	74,646	-	798,736	873,382
Charitable activities:					
- Funding for educational operations	4	736,469	17,536,973	-	18,273,442
Other trading activities	5	906,969	-	-	906,969
Investments	6	102,493	-	-	102,493
Total		1,820,577	17,536,973	798,736	20,156,286
Expenditure on:					
Raising funds	7	602,767	1,695	-	604,462
Charitable activities:					
- Educational operations	9	712,352	18,561,765	1,370,905	20,645,022
Total	7	1,315,119	18,563,460	1,370,905	21,249,484
Net Income/(expenditure)		505,458	(1,026,487)	(572,169)	(1,093,198)
Transfers between funds	20	(13,934)	597,248	(583,314)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	22	-	1,207,000	-	1,207,000
Net movement in funds		491,524	777,761	(1,155,483)	113,802
Reconciliation of funds					
Total funds brought forward		1,513,183	1,531,502	29,501,891	32,546,576
Total funds carried forward		2,004,707	2,309,263	28,346,408	32,660,378

PELE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Intangible assets	13		8,368		12,929
Tangible assets	14		40,113,148		27,626,742
			<u>40,121,516</u>		<u>27,639,671</u>
Current assets					
Stock	15	12,044		6,932	
Debtors	16	1,163,862		467,431	
Cash at bank and in hand		13,064,647		8,904,086	
		<u>14,240,553</u>		<u>9,378,449</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(7,886,608)		(4,244,149)	
			<u>6,353,945</u>		<u>5,134,300</u>
Net current assets					
			<u>46,475,461</u>		<u>32,773,971</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	18		(55,489)		(7,593)
			<u>46,419,972</u>		<u>32,766,378</u>
Net assets excluding pension liability					
Defined benefit pension scheme liability	22		-		(106,000)
			<u>46,419,972</u>		<u>32,660,378</u>
Total net assets					
			<u>46,419,972</u>		<u>32,660,378</u>
Funds of the Pele Trust (the MAT):					
Restricted funds	20				
- Fixed asset funds			41,381,104		28,346,408
- Restricted income funds			1,450,519		2,415,263
- Pension reserve			-		(106,000)
			<u>42,831,623</u>		<u>30,655,671</u>
Total restricted funds					
			<u>42,831,623</u>		<u>30,655,671</u>
Unrestricted income funds	20		3,588,349		2,004,707
			<u>46,419,972</u>		<u>32,660,378</u>
Total funds					
			<u>46,419,972</u>		<u>32,660,378</u>

The accounts on pages 31 to 61 were approved by the directors and authorised for issue on 12 December 2024 and are signed on their behalf by:



G Miller
Chair

Company registration number 11395017 (England and Wales)

PELE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024		2023	
		£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	23		1,522,300		98,446
Cash funds transferred on conversion	29		1,655,697		-
			<u>3,177,997</u>		<u>98,446</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		278,989		102,493	
Capital grants from DfE Group		117,544		211,617	
Capital funding received from sponsors and others		822,721		587,119	
Purchase of intangible fixed assets		-		(13,685)	
Purchase of tangible fixed assets		(57,807)		(138,364)	
		<u>1,161,447</u>		<u>749,180</u>	
Net cash provided by investing activities			1,161,447		749,180
Cash flows from financing activities					
Repayment of other loan		82,896		(1,688)	
Finance costs		(261,779)		-	
		<u>(178,883)</u>		<u>(1,688)</u>	
Net cash used in financing activities			(178,883)		(1,688)
Net increase in cash and cash equivalents in the reporting period			4,160,561		845,938
Cash and cash equivalents at beginning of the year			8,904,086		8,058,148
Cash and cash equivalents at end of the year			13,064,647		8,904,086

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Pele Trust (the MAT), which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2023 to 2024 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Pele Trust (the MAT) has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Pele Trust (the MAT)'s ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the predecessor schools to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in (for net gain) Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

1.4 Income

All incoming resources are recognised when the Pele Trust (the MAT) 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 period 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 recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the Pele Trust (the MAT) which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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 Pele Trust (the MAT) has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Pele Trust (the MAT)'s accounting policies.

1.5 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 are 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 Pele Trust (the MAT) 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 Pele Trust (the MAT)'s educational operations, including support costs and costs relating to the governance of the Pele Trust (the MAT) apportioned to charitable activities.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.6 Intangible fixed assets and amortisation

Intangible assets costing £15,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer licences - over the life of the licence

1.7 Tangible fixed assets and depreciation

Assets costing £8,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	6/46/117/125 years
Computer equipment	3 years
Fixtures, fittings and equipment	7 years
Motor vehicles	7 years

At Darras Hall Primary School, Ponteland High School and Ponteland Primary School, land and buildings are occupied on a 125 year lease from the local authority and at Belsay Primary School, on a 46 year lease. In the view of the Directors, the risks and rewards of occupying the sites have been substantially transferred to the Trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. Land and buildings at Darras Hall Primary School are valued using building costs. Ponteland Primary School and Ponteland High School are valued using building costs. These schools were built during 2020/21. Land and buildings at Belsay Primary School are based on local authority valuation on a depreciated replacement cost basis. Other assets transferred on conversation have been valued based on an estimated book value based on their original purchase costs.

The footprint of the Duchess Community High School building is owned by a PFI company and occupied by the academy on a lease with the local authority. The remaining land is owned by Northumberland County Council and is leased to the academy for a remaining 116 year of the 125 year lease. As such, these have not been capitalised and are held off balance sheet. A secondary site, is considered separable although under the same lease, and so has been capitalised. Additions to the building are funded by the Academy and therefore have been capitalised. This academy also holds some long leasehold land which has been capitalised and depreciated over the 117 years of the lease.

John Spence High School's land includes a sports pitch inherited on conversion, this has been depreciated over its remaining useful life of 6 years.

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

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.8 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 Pele Trust (the MAT) 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.

1.9 Leased assets

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

1.10 Financial instruments

The Pele Trust (the MAT) only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Pele Trust (the MAT) 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. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.12 Taxation

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

1.13 Pensions benefits

Retirement benefits to employees of the Pele Trust (the MAT) are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Pele Trust (the MAT).

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Pele Trust (the MAT) 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 based on quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

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

1.14 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Pele Trust (the MAT) at the discretion of the directors.

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

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

1.15 Private finance initiative

The academy occupies buildings which have been procured by Northumberland Local Authority as a PFI project. The academy pays revenue contributions in respect of facilities management and in respect of lease payments for use of the facilities. The academy does not have any rights or obligations of ownership in respect of these assets, is restricted as to its use of the facilities, and therefore they are not included on the academy's balance sheet. The revenue payment for service (net of affordability gap contribution) and payment for use of the premises are recognised in the SOFA. The commitment to make future payments is disclosed in note 25.

2 Critical accounting estimates and areas of judgement

Accounting 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 Pele Trust (the MAT) 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.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

2 Critical accounting estimates and areas of judgement

(Continued)

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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. The UK corporate bond yields at 31 August 2024 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the Academy Trust and the valuation has been based on the following estimates:

- There is a minimum funding requirement in relation to LGPS
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period
- The present values in the above calculations are calculated using an annuity representing participation into perpetuity.

There is no known intention to exit the LGPS and therefore the economic benefit of a refund would be highly unlikely and on that basis recognition of an asset is considered inappropriate. We have however considered the economic benefit available to the Academy Trust as a future contribution reduction and whether it is appropriate to recognise the net asset in full. Under FRS 102, a net asset restriction may apply as the prevailing view is that a minimum funding requirement for future service exists in the LGPS. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have restricted the asset to £nil based upon an asset restriction calculation. We consider this to be appropriate and a more accurate reflection of the pension positions as at 31 August 2024.

Land and buildings

Some of the trust's land and buildings are occupied on leases from the local authority of varying lengths, as noted above. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The land and buildings are valued on the basis of valuations and costing information provided by the ESFA/local authority

Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Capital grants	-	940,265	940,265	798,736
Other donations	83,499	-	83,499	74,646
	<u>83,499</u>	<u>940,265</u>	<u>1,023,764</u>	<u>873,382</u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

4 Funding for the Pele Trust (the MAT)'s educational operations

Educational operations	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
DfE/ESFA grants				
General annual grant (GAG)	-	24,220,220	24,220,220	13,337,780
Other DfE/ESFA grants:				
- UIFSM	-	254,533	254,533	243,835
- Pupil premium	-	914,444	914,444	407,908
- Start up grants	-	12,000	12,000	50,000
- PE and sports premium	-	92,250	92,250	92,570
- Rates	-	323,221	323,221	120,392
- Teachers pension grants	-	349,524	349,524	70,985
- Teachers pay grants	-	334,566	334,566	4,743
- Supplementary grant	-	-	-	389,345
- Mainstream schools additional grant	-	654,035	654,035	191,782
- ESFA 16-19 funding	-	2,622,984	2,622,984	1,476,941
- TCaF funding	-	158,495	158,495	-
- Others	-	9,766	9,766	41,715
	-	29,946,038	29,946,038	16,427,996
Other government grants				
Local authority grants	-	1,526,597	1,526,597	1,043,986
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	198,979	198,979	64,991
Other incoming resources	-	-	-	19,811
Total funding for educational operations	-	31,671,614	31,671,614	17,556,784
Catering income	1,082,450	-	1,082,450	716,658
Total funding	1,082,450	31,671,614	32,754,064	18,273,442

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Hire of facilities	142,628	-	142,628	19,494
Catering income	18,067	-	18,067	9,910
Music tuition	1,783	-	1,783	1,720
Parental contributions	672,110	-	672,110	452,362
Other income	433,548	-	433,548	423,483
	<u>1,268,136</u>	<u>-</u>	<u>1,268,136</u>	<u>906,969</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Short term deposits	<u>278,989</u>	<u>-</u>	<u>278,989</u>	<u>102,493</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2024 £	Total 2023 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	257,750	-	856,640	1,114,390	604,462
Academy's educational operations					
- Direct costs	22,305,885	-	2,114,001	24,419,886	13,343,673
- Allocated support costs	5,107,303	3,557,421	2,208,449	10,873,173	7,301,349
	<u>27,670,938</u>	<u>3,557,421</u>	<u>5,179,090</u>	<u>36,407,449</u>	<u>21,249,484</u>

Net income/(expenditure) for the year includes:

	2024 £	2023 £
Operating lease rentals	161,819	49,717
Depreciation of tangible fixed assets	1,345,033	1,370,149
Loss on disposal of fixed assets	5,952	-
Amortisation of intangible fixed assets	4,563	756
Fees payable to auditor for:		
- Audit	19,500	15,500
- Other services	6,000	4,819
Bank and loan interest	261,779	-
Net interest on defined benefit pension liability	(15,000)	33,000

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

8 Central services

The Pele Trust (the MAT) has provided the following central services to its academies during the year:

- Strategic direction, leadership, and oversight
- Governance, compliance, audit and risk management
- Financial planning, budgeting, and monthly management reporting
- Coordination of school improvement initiatives
- HR management
- Marketing, communications, and corporate image management
- Strategic procurement and supplier negotiations
- Premises and estates management, including capital project delivery
- Oversight of financial reporting, including external audits
- Support for long-term financial sustainability and control

The Pele Trust (the MAT) charges for these services on the following basis:

- flat 5.25 percentage of AWPU received from the ESFA.

In addition to these charges, trustees agreed to transfer £1,000,000 from Ponteland High School's reserves during the year. £750,000 was transferred to Pele Trust's reserves, and £250,000 was an additional contribution to MAT services.

Duchess Community High School and John Spence High School did not pay any central charges after joining the trust.

The amounts charged during the year were as follows:

	2024	2023
	£	£
Belsay Primary School	13,364	13,849
Darras Hall Primary School	78,401	72,962
Heddon on the Wall St Andrew's CoE Primary School	33,677	33,441
Ponteland High School	417,182	397,933
Ponteland Primary School	74,660	70,935
Richard Coates CoE School	53,456	51,850
Duchess Community High School	-	-
John Spence High School	-	-
	670,740	640,970
	670,740	640,970

9 Charitable activities

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Direct costs				
Educational operations	-	24,419,886	24,419,886	13,343,673
Support costs				
Educational operations	1,082,450	9,790,723	10,873,173	7,301,349
	1,082,450	34,210,609	35,293,059	20,645,022
	1,082,450	34,210,609	35,293,059	20,645,022

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

9 Charitable activities (Continued)

	2024	2023
	£	£
Analysis of support costs		
Support staff costs	5,107,303	2,828,503
Depreciation and amortisation	1,355,548	1,370,905
Technology costs	271,032	240,843
Premises costs	2,201,873	1,936,918
Legal costs	43,953	8,343
Other support costs	1,853,562	879,988
Governance costs	39,902	35,849
	<u>10,873,173</u>	<u>7,301,349</u>

10 Staff

Staff costs

Staff costs during the year were:

	2024	2023
	£	£
Wages and salaries	20,082,933	10,977,259
Social security costs	2,008,585	1,049,922
Pension costs	4,604,846	2,623,172
	<u>26,696,364</u>	<u>14,650,353</u>
Staff costs - employees	26,696,364	14,650,353
Agency staff costs	963,916	325,729
Staff restructuring costs	10,658	-
	<u>27,670,938</u>	<u>14,976,082</u>
Staff development and other staff costs	153,861	78,767
	<u>27,824,799</u>	<u>15,054,849</u>

Staff restructuring costs comprise:

Redundancy payments	<u>10,658</u>	<u>-</u>
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PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

10 Staff

(Continued)

Staff numbers

The average number of persons employed by the Pele Trust (the MAT) during the year was as follows:

	2024	2023
	Number	Number
Teachers	277	164
Administration and support	351	213
Management	31	20
	<u>659</u>	<u>397</u>
	<u><u>659</u></u>	<u><u>397</u></u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

10 Staff

(Continued)

Higher paid staff

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

	2024 Number	2023 Number
£60,001 - £70,000	8	6
£70,001 - £80,000	8	1
£80,001 - £90,000	3	1
£110,001 - £120,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,001	1	-
	<u> </u>	<u> </u>

Key Management Personnel

The key management personnel of the Pele Trust (the MAT) comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Pele Trust (the MAT) was £1,486,576 (2023: £931,260).

11 Directors' remuneration and expenses

None of the directors were paid remuneration or received other benefits from an employment with the Pele Trust (the MAT).

During the period ended 31 August 2024, travel and subsistence expenses were reimbursed to 1 trustee at a cost of £654 (2023: £577 to 1 trustee).

12 Directors' and officers' insurance

The Pele Trust (the MAT) 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 directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Pele Trust (the MAT) business, and provides cover up to £10,000,000. It is not possible to quantify the directors and officers indemnity element from the overall cost of the RPA scheme.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

13 Intangible fixed assets

	Computer licences £
Cost	
At 1 September 2023 and at 31 August 2024	13,685
Amortisation	
At 1 September 2023	756
Charge for year	4,561
At 31 August 2024	5,317
Carrying amount	
At 31 August 2024	8,368
At 31 August 2023	12,929

14 Tangible fixed assets

	Land and buildings £	Computer equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2023	27,696,565	1,525,713	2,455,566	17,116	31,694,960
Transfer on conversion	13,719,605	3,315	56,666	-	13,779,586
Additions	-	18,741	39,066	-	57,807
Disposals	-	-	(10,000)	-	(10,000)
At 31 August 2024	41,416,170	1,547,769	2,541,298	17,116	45,522,353
Depreciation					
At 1 September 2023	1,804,991	1,321,686	934,002	7,539	4,068,218
On disposals	-	-	(4,048)	-	(4,048)
Charge for the year	808,505	174,397	359,687	2,446	1,345,035
At 31 August 2024	2,613,496	1,496,083	1,289,641	9,985	5,409,205
Net book value					
At 31 August 2024	38,802,674	51,686	1,251,657	7,131	40,113,148
At 31 August 2023	25,891,574	204,027	1,521,564	9,577	27,626,742

15 Stock

	2024 £	2023 £
Uniform and catering stock	12,044	6,932

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

16 Debtors	2024	2023
	£	£
Trade debtors	21,818	65,978
VAT recoverable	138,222	103,675
Prepayments and accrued income	1,003,822	297,778
	<u>1,163,862</u>	<u>467,431</u>
17 Creditors: amounts falling due within one year	2024	2023
	£	£
Other loans	36,688	1,688
Trade creditors	5,708,533	2,736,201
Other creditors	255,652	149,454
Accruals and deferred income	1,885,735	1,356,806
	<u>7,886,608</u>	<u>4,244,149</u>
18 Creditors: amounts falling due after more than one year	2024	2023
	£	£
Other loans	55,489	7,593
	<u>55,489</u>	<u>7,593</u>
Analysis of loans	2024	2023
	£	£
Wholly repayable within five years	92,177	9,281
Less: included in current liabilities	(36,688)	(1,688)
Amounts included above	<u>55,489</u>	<u>7,593</u>
Loan maturity		
Debt due in one year or less	36,688	1,688
Due in more than one year but not more than two years	36,688	1,688
Due in more than two years but not more than five years	18,801	5,905
	<u>92,177</u>	<u>9,281</u>

The trust has an interest free Salix Loan, repayable at £1,687 per year. The final payment is due in September 2028. The trust has a deficit repayment loan with the Local Authority repayable at £35,000 per year, with a final payment of £14,583 due in July 2027.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

19 Deferred income

	2024	2023
	£	£
Deferred income is included within:		
Creditors due within one year	443,107	228,483
	<u> </u>	<u> </u>
Deferred income at 1 September 2023	228,483	192,711
Released from previous years	(228,483)	(192,711)
Resources deferred in the year	443,107	228,483
	<u> </u>	<u> </u>
Deferred income at 31 August 2024	<u>443,107</u>	<u>228,483</u>

Deferred income comprises Universal Infants' Free School Meals, Sport England grant, NCC rates refund and trip income for the 2024-25 academic year received in advance.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2024 £
Restricted general funds					
General Annual Grant (GAG)	2,374,560	24,220,220	(25,564,831)	420,570	1,450,519
Start up grants	33,258	12,000	(45,258)	-	-
UIFSM	-	254,533	(254,533)	-	-
Pupil premium	-	914,444	(914,444)	-	-
Other DfE/ESFA COVID-19 funding	-	198,979	(198,979)	-	-
Other DfE/ESFA grants	-	9,766	(9,766)	-	-
Other government grants	-	1,526,597	(1,526,597)	-	-
Teachers pension grant	-	349,524	(349,524)	-	-
Teachers pay grant	-	334,566	(334,566)	-	-
PE and sports premium	7,445	92,250	(99,695)	-	-
Rates	-	323,221	(323,221)	-	-
Mainstream schools additional grant	-	654,035	(654,035)	-	-
EFSA 16-19	-	2,622,984	(2,622,984)	-	-
TCaF funding	-	158,495	(158,495)	-	-
Pension reserve	(106,000)	(271,000)	184,000	193,000	-
	<u>2,309,263</u>	<u>31,400,614</u>	<u>(32,872,928)</u>	<u>613,570</u>	<u>1,450,519</u>
Restricted fixed asset funds					
Inherited on conversion	7,058,308	13,870,549	(223,309)	-	20,705,548
DfE group capital grants	920,446	940,265	(1,045,344)	(441,704)	373,663
Capital expenditure from GAG	105,176	-	(80,800)	21,134	45,510
Other donations	20,262,478	-	(6,095)	-	20,256,383
	<u>28,346,408</u>	<u>14,810,814</u>	<u>(1,355,548)</u>	<u>(420,570)</u>	<u>41,381,104</u>
Total restricted funds	<u>30,655,671</u>	<u>46,211,428</u>	<u>(34,228,476)</u>	<u>193,000</u>	<u>42,831,623</u>
Unrestricted funds					
General funds	2,004,707	3,762,615	(2,178,973)	-	3,588,349
	<u>2,004,707</u>	<u>3,762,615</u>	<u>(2,178,973)</u>	<u>-</u>	<u>3,588,349</u>
Total funds	<u>32,660,378</u>	<u>49,974,043</u>	<u>(36,407,449)</u>	<u>193,000</u>	<u>46,419,972</u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the school. Under the funding agreement with the Secretary of State, the school was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2024.

Other DfE/ESFA grants include teachers' pay and pension grants, pupil premium, PE and sports grant and Universal Infant Free School Meals income.

Other government grants comprise SEN funding for pupils with special educational needs, pupil premium received from the local authority and early years funding.

The pension reserve reflects the LGPS transactions. 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 the LGPS, and the pension liability has therefore been aligned with these funds.

The inherited fixed asset fund reflects the fixed assets acquired from Northumberland County Council and North Tyneside Council on conversion. Depreciation on these assets is charged against this fund. Assets have also been passed to the trust by the ESFA on a long term lease.

DfE/ESFA capital grants received in year consists of capital grants of £940,265 received in the year and a net £706,737 brought forward which has been utilised on asset additions and repairs across the trust. A net capital balance of £1,259,588 has been carried forward to 2024/25.

Unrestricted funds can be used for any purpose at the discretion of the Trust, within its objectives.

The school's restricted general and unrestricted funds were £5,038,868 at 31 August 2024.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

20 Funds

(Continued)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	2,676,502	14,814,721	(15,713,911)	597,248	2,374,560
Start up grants	-	50,000	(16,742)	-	33,258
UIFSM	-	243,835	(243,835)	-	-
Pupil premium	-	407,908	(407,908)	-	-
Other DfE/ESFA COVID-19 funding	-	64,991	(64,991)	-	-
Other DfE/ESFA grants	-	41,715	(41,715)	-	-
Other government grants	-	1,043,986	(1,043,986)	-	-
Teachers pension grant	-	70,985	(70,985)	-	-
Teachers pay grant	-	4,743	(4,743)	-	-
PE and sports premium	-	92,570	(85,125)	-	7,445
Rates	-	120,392	(120,392)	-	-
Supplementary grant	-	389,345	(389,345)	-	-
Mainstream schools additional grant	-	191,782	(191,782)	-	-
Pension reserve	(1,145,000)	-	(168,000)	1,207,000	(106,000)
	<u>1,531,502</u>	<u>17,536,973</u>	<u>(18,563,460)</u>	<u>1,804,248</u>	<u>2,309,263</u>
Restricted fixed asset funds					
Inherited on conversion	7,419,730	-	(361,422)	-	7,058,308
DfE group capital grants	796,183	798,736	(50,766)	(623,707)	920,446
Capital expenditure from GAG	184,100	-	(105,383)	26,459	105,176
Other capital funding (non EFSA)	15,000	-	-	-	15,000
Other donations	21,086,878	-	(853,334)	13,934	20,247,478
	<u>29,501,891</u>	<u>798,736</u>	<u>(1,370,905)</u>	<u>(583,314)</u>	<u>28,346,408</u>
Total restricted funds	<u>31,033,393</u>	<u>18,335,709</u>	<u>(19,934,365)</u>	<u>1,220,934</u>	<u>30,655,671</u>
Unrestricted funds					
General funds	<u>1,513,183</u>	<u>1,820,577</u>	<u>(1,315,119)</u>	<u>(13,934)</u>	<u>2,004,707</u>
Total funds	<u>32,546,576</u>	<u>20,156,286</u>	<u>(21,249,484)</u>	<u>1,207,000</u>	<u>32,660,378</u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

20 Funds (Continued)

Total funds analysis by academy

	2024	2023
	£	£
Fund balances at 31 August 2024 were allocated as follows:		
Belsay Primary School	107,946	134,700
Darras Hall Primary School	474,036	496,218
Heddon on the Wall St Andrew's CoE Primary School	73,460	140,554
Ponteland High School	2,100,819	2,785,364
Ponteland Primary School	306,239	283,129
Richard Coates CoE School	64,090	95,846
Duchess Community High School	340,535	-
John Spence High School	130,820	-
Central services	1,440,923	484,159
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	5,038,868	4,419,970
Restricted fixed asset fund	41,381,104	28,346,408
Pension reserve	-	(106,000)
	<hr/>	<hr/>
Total funds	46,419,972	32,660,378
	<hr/> <hr/>	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2024	Total 2023
	£	£	£	£	£	£
Belsay Primary School	392,045	82,341	34,998	127,258	636,642	519,118
Darras Hall Primary School	1,709,215	334,366	85,645	332,742	2,461,968	2,222,983
Heddon on the Wall St Andrew's CoE Primary School	929,327	179,269	95,506	159,036	1,363,138	1,284,495
Ponteland High School	6,955,602	1,347,215	552,361	1,283,012	10,138,190	9,772,621
Ponteland Primary School	1,722,986	384,166	159,905	287,693	2,554,750	2,624,164
Richard Coates CoE School	1,212,966	352,165	58,836	291,823	1,915,790	1,843,352
Duchess Community High School	4,985,420	1,294,896	586,260	1,204,103	8,070,679	-
John Spence High School	4,255,608	922,241	392,081	860,573	6,430,503	-
Central services	486,297	447,674	21,341	708,929	1,664,241	1,443,845
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	22,649,466	5,344,333	1,986,933	5,255,169	35,235,901	19,710,578
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

21 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2024 are represented by:				
Intangible fixed assets	-	-	8,368	8,368
Tangible fixed assets	-	-	40,113,148	40,113,148
Current assets	3,588,349	9,385,023	1,267,181	14,240,553
Current liabilities	-	(7,884,920)	(1,688)	(7,886,608)
Non-current liabilities	-	(49,584)	(5,905)	(55,489)
Total net assets	3,588,349	1,450,519	41,381,104	46,419,972

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Intangible fixed assets	-	-	12,929	12,929
Tangible fixed assets	-	-	27,626,742	27,626,742
Current assets	2,004,707	6,657,724	716,018	9,378,449
Current liabilities	-	(4,242,461)	(1,688)	(4,244,149)
Non-current liabilities	-	-	(7,593)	(7,593)
Pension scheme liability	-	(106,000)	-	(106,000)
Total net assets	2,004,707	2,309,263	28,346,408	32,660,378

22 Pension and similar obligations

The Pele Trust (the MAT)'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 Northumberland County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

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

Teachers' Pension Scheme

Introduction

The Pele Trust (the MAT)'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 Tyne & Wear Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020, and that of the LGPS related to the period ended 31 March 2022.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

22 Pension and similar obligations

(Continued)

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

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 ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to the TPS in the period amounted to £3,555,567 (2023: £1,789,862).

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 Pele Trust (the MAT) is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Pele Trust (the MAT) has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Pele Trust (the MAT) has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21.3% for employers and 5.5 - 12.5% for employees.

As described in note 29 the LGPS obligation relates to the employees of the Pele Trust (the MAT), being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Pele Trust (the MAT) at the balance sheet date.

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

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

22 Pension and similar obligations (Continued)

Total contributions made	2024 £	2023 £
Employer's contributions	1,219,000	688,000
Employees' contributions	345,000	183,000
Total contributions	<u>1,564,000</u>	<u>871,000</u>

Principal actuarial assumptions	2024 %	2023 %
Rate of increase in salaries	4.0	4.1
Rate of increase for pensions in payment/inflation	2.5	2.6
Discount rate for scheme liabilities	4.9	5.0
Inflation assumption (CPI)	<u>2.5</u>	<u>2.6</u>

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

	2024 Years	2023 Years
Retiring today		
- Males	20.8	21.0
- Females	24.0	24.1
Retiring in 20 years		
- Males	21.7	22.2
- Females	<u>25.1</u>	<u>25.5</u>

Sensitivity analysis

Scheme liabilities would have been affected by changes in assumptions as follows:

	2024 £	2023 £
Discount rate + 0.1%	13,525,000	7,145,000
Discount rate - 0.1%	14,105,000	7,451,000
Mortality assumption + 1 year	14,160,000	7,116,000
Mortality assumption - 1 year	13,470,000	7,480,000
CPI rate + 0.1%	14,064,000	7,429,000
CPI rate - 0.1%	<u>13,566,000</u>	<u>7,167,000</u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

22 Pension and similar obligations (Continued)

The Pele Trust (the MAT)'s share of the assets in the scheme	2024 Fair value £	2023 Fair value £
Equities	6,978,000	3,705,000
Government bonds	167,000	93,000
Corporate bonds	2,591,000	1,359,000
Cash	111,000	122,000
Property	1,449,000	741,000
Other assets	2,633,000	1,172,000
Total market value of assets	13,929,000	7,192,000
Restriction on scheme assets	(114,000)	-
Net assets recognised	13,815,000	7,192,000

The actual return on scheme assets was £1,139,000 (2023: £995,000).

Amount recognised in the statement of financial activities	2024 £	2023 £
Current service cost	1,050,000	823,000
Interest income	(558,000)	(238,000)
Interest cost	543,000	271,000
Total amount recognised	1,035,000	856,000

The net gain recognised on scheme assets has been restricted because the full pension surplus is not expected to be recovered through refunds or reduced contributions in the future.

Changes in the present value of defined benefit obligations	2024 £	2023 £
At 1 September 2023	7,298,000	6,542,000
Obligations acquired on conversion	4,422,000	-
Current service cost	1,050,000	823,000
Interest cost	543,000	271,000
Employee contributions	345,000	183,000
Actuarial loss/(gain)	274,000	(450,000)
Benefits paid	(117,000)	(71,000)
At 31 August 2024	13,815,000	7,298,000

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

22 Pension and similar obligations

(Continued)

Changes in the fair value of the Pele Trust (the MAT)'s share of scheme assets

	2024	2023
	£	£
At 1 September 2023	7,192,000	5,397,000
Assets acquired on conversion	4,151,000	-
Interest income	558,000	238,000
Actuarial gain	581,000	757,000
Employer contributions	1,219,000	688,000
Employee contributions	345,000	183,000
Benefits paid	(117,000)	(71,000)
	<u>13,929,000</u>	<u>7,192,000</u>
At 31 August 2024	13,929,000	7,192,000
Restriction on scheme assets	(114,000)	-
	<u>13,815,000</u>	<u>7,192,000</u>

23 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2024	2023
Notes	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	13,566,594	(1,093,198)
Adjusted for:		
Net surplus on conversion to academy	29 (14,649,090)	-
Capital grants from DfE and other capital income	(940,265)	(798,736)
Investment income receivable	6 (278,989)	(102,493)
Finance costs payable	261,779	-
Defined benefit pension costs less contributions payable	22 (169,000)	135,000
Defined benefit pension scheme finance (income)/cost	22 (15,000)	33,000
Depreciation of tangible fixed assets	1,345,033	1,370,149
Amortisation of intangible fixed assets	13 4,563	756
Loss on disposal of fixed assets	5,952	-
(Increase)/decrease in stocks	(5,112)	2,164
(Increase)/decrease in debtors	(696,431)	58,080
Increase in creditors	3,607,459	493,724
Stocks, debtors and creditors transferred on conversion	29 (515,193)	-
	<u>1,522,300</u>	<u>98,446</u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

24 Analysis of changes in net funds

	1 September 2023	Cash flows	31 August 2024
	£	£	£
Cash	8,904,086	4,160,561	13,064,647
Loans falling due within one year	(1,688)	(35,000)	(36,688)
Loans falling due after more than one year	(7,593)	(47,896)	(55,489)
	<u>8,894,805</u>	<u>4,077,665</u>	<u>12,972,470</u>

25 Long-term commitments

Operating leases

At 31 August 2024 the total of the Pele Trust (the MAT)'s future minimum lease payments under non-cancellable operating leases was:

	2024	2023
	£	£
Amounts due within one year	58,855	15,801
Amounts due in two and five years	85,110	18,941
Amounts due after five years	145,010	146,350
	<u>288,975</u>	<u>181,092</u>

Other contractual commitments

At 31 August 2024 the total of the Pele Trust (the MAT)'s future minimum payments under non-cancellable PFI contracts was:

	2024	2023
	£	£
Amounts due within one year	352,709	-
Amounts due in two and five years	1,410,835	-
Amounts due after five years	4,419,247	-
	<u>6,182,791</u>	<u>-</u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

26 Related party transactions

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

Leading Learning Education Limited is a company controlled by the spouse of K McGrane, director and accounting officer of the trust

During the year, the academy trust purchases goods and services from the company totalling £1,375. There were no amounts outstanding as at 31 August 2024

The academy trust made the purchase at arms' length in accordance with its financial regulations, which Mr McGrane neither participated in, nor influenced. In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2023.

27 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

28 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2024 the trust brought forward £15,391 (2023: £33,553) undistributed funds from previous years, received £46,090 (2023: £26,341) and disbursed £13,870 (2023: £13,945) from the funds. £32,811 was also received from new schools joining the trust in the year. An amount of £80,422 (2023: £15,391) is included in other creditors relating to undistributed funds that is repayable to ESFA.

29 Conversion to an academy

As detailed below, two schools joined the trust during the year when they converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Pele Trust from the Northumberland and North Tyneside Local Authorities for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Duchess Community High School	Alnwick	1 December 2023
John Spence High School	North Shields	1 November 2023

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

29 Conversion to an academy

(Continued)

	Unrestricted funds £	Restricted funds:		Total 2024 £
		General £	Fixed asset £	
Net assets transferred:				
Leasehold land and buildings	-	-	13,719,605	13,719,605
Other tangible fixed assets	-	-	59,981	59,981
Cash	1,049,541	515,193	90,963	1,655,697
Pension scheme deficit	-	(271,000)	-	(271,000)
Other deductions	-	(515,193)	-	(515,193)
	<u>1,049,541</u>	<u>(271,000)</u>	<u>13,870,549</u>	<u>14,649,090</u>
	Unrestricted funds £	Restricted funds:		Total 2024 £
Funds surplus/(deficit) transferred:		General £	Fixed asset £	
Fixed assets funds	-	-	13,870,549	13,870,549
LA budget funds	1,049,541	-	-	1,049,541
LGPS pension funds	-	(271,000)	-	(271,000)
	<u>1,049,541</u>	<u>(271,000)</u>	<u>13,870,549</u>	<u>14,649,090</u>

Where on a long term lease or freehold, land and buildings have been recognised as a donation on conversion at the appropriate transfer value. Premises occupied under PFI contracts have not been recognised as assets transferred on conversion, as detailed within the accounting policies.

