

Company registration number 11395017 (England and Wales)

PELE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

PELE TRUST

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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
L Joicey
J Tate (Resigned 13 November 2022)
A Gibson
J McGowan

Senior Leadership Team

- CEO	Kieran McGrane
- Dep CEO/Headteacher	Lynn Blain
- Headteacher	Andrew Wheatley
- Headteacher	Heather Cape
- Headteacher	Victoria Parr
- Headteacher	Stef McElwee
- Acting Headteacher	Claire Johnson
- Acting Headteacher	Sharon Lock
- Chief Operating Officer	Claire Leightley

Company registration number

11395017 (England and Wales)

Registered office

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

Academies operated

Belsay Primary School	Location Belsay
Darras Hall Primary School	Darras Hall
Heddon on the Wall St Andrew's Primary School	CoEHeddon on the Wall
Ponteland High School	Ponteland
Ponteland Primary School	Ponteland
Richard Coates CoE School	Ponteland

PELE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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 2023

The directors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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Pele Trust is a Multi Academy Trust (MAT) comprising six schools (five primary and one secondary) serving pupils aged 3 - 18 in the Ponteland catchment area.

As at May 2023 the trust had a roll of 3009 pupils. The table below shows the capacity of each school and pupil numbers as per the May 2023 school census:

Pupils as at May 2023 (Capacity to August 2023)

Belsay Primary School	75 (105)
Darras Hall Primary School	442 (420)
Heddon St Andrews C of E Primary School	189 (210)
Ponteland Primary School	423 (420)
Richard Coates C of E Primary School	297 (420)
Ponteland High School	1583 (1600)

Structure, governance and management

Constitution

The Pele Trust (the MAT) 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 Pele Trust (the MAT).

The directors are the trustees of Pele Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known 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.

Policies and procedures adopted for the induction and training of directors

The training and induction provided for new Directors depends on their existing experience. In the reporting period the Board of Directors has remained stable with no new appointments.

PELE TRUST

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

All Directors have access to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors.

Pele Trust's ongoing training programme for Directors, Academy Committee Chairs and members is extensive. In the reporting period the following training events have been held:

- Equalities Act Training
- Understanding and meeting the needs of SEND pupils
- Staff Workload and Wellbeing.

In addition, the CEO issues a monthly briefing to Directors, Academy Committee members and all staff. He also holds a termly Chairs briefing specifically for Academy Committee Chairs.

The Chair of Directors hosts an annual governance and development conference which, this year, was held in October 2022 and was attended by Directors, Academy Committee members from all schools and senior leaders and which offered the following workshops, all of which were well attended:

- Carrying out effective governor visits
- Making sense of monthly management accounts
- Promoting understanding of protected characteristics
- Understanding primary school data
- The importance of a primary school reading strategy
- The importance of a secondary school reading strategy
- Pupil Premium - an overview
- The importance of the curriculum

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.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Directors delivered their planned schedule of meetings in 2022-23 which ensured that governance and risk management remained robust. Academy Committees also continued to meet and delivered their schedule of meetings.

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.

Engagement with employees

The Board of Directors recognises that Pele Trust's most valuable assets is its staff and acknowledges the value and impact of effective employee engagement. Trust wide communication and engagement has occurred in the following ways:

- Monthly CEO briefings to all staff providing updates on trust activities such as financial and governance arrangements, school updates, academic performance updates, training plans and key activities and achievements
- Launch of CEO Star of the Month recognition awards where colleagues can nominate each other for exemplary performance, random acts of kindness or outstanding achievements. This has been well received by staff with high levels of participation and engagement.
- Regular CEO and Director contact with schools. Each school has one or two named link Directors who, as a minimum, attend Academy Committee meetings and school events.
- Ongoing school Improvement work in schools, including a programme of peer reviews which involves colleagues from all schools
- Several senior leaders deliver National Professional Qualifications such as NPQSL and NPQH. There are aspiring leaders in all Trust schools currently participating in programmes.
- Ongoing development of school improvement groups including Headteachers, Phase Leader groups, Curriculum groups for Maths, English, Science and Early Years, as well as SENDCO and Safeguarding networks.
- All Academy Committees have elected staff members and are also attended by CEO and COO to ensure links back to the Board of Directors.
- The Trust buys in to an Employee Assistance Programme which is accessible by all staff and which provides services such as counselling, information services such as consumer rights, housing advice and family and personal care and specialist legal and financial advice services.
- All Pele Trust teaching staff share a common appraisal objective which centres on an action research project (of their choosing) designed to improve teaching and learning and/or academic outcomes. All schools held a dissemination evening in the summer term, attended by Academy Committee members and link Directors.

The Trust is a committed equal opportunities employer and takes a positive approach to applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons.

PELE TRUST

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Related parties and other connected charities and organisations

Pele Trust is not connected to any other organisation.

The Trust has not entered into any contracts or agreements with related parties.

All Directors and Academy Committee members have declared, and will keep up to date, their pecuniary interests in order that the trust can ensure that any transactions with related parties present no conflict or breach the requirements of the Academies Financial Handbook.

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

Our priority is to obtain value for money when procuring goods and services. In the reporting period we have further developed relationships with local suppliers, particularly for catering and building improvement works and this ensures a reliable supply chain with competitive pricing.

We continue to work with larger, national suppliers for some services, usually IT platforms and educational resources and we manage those relationships in the same way we do our relationships with local providers. Contracts and services are reviewed, appraised and renegotiated where applicable to provide best value and value for money.

Weekly payment runs ensure that suppliers are paid within our standard terms.

Our schools all exist within well-established communities. Parent and community engagement at all schools is executed well and Headteachers, Academy Committee Members and school staff get to know parents well through events such as parents' evenings, sports events, fayres, and music and drama events. Example comments from Ofsted inspections during the reporting period about Pele Trust schools describe them as "a truly inclusive school where pupils, parents and carers, and staff all feel a sense of belonging".

Many Academy Committee Members are parents and/or key members of the local community or churches. The Trust's approach to transition also ensures that relationships with secondary school begin even before their child starts a new school. All schools issue regular newsletters with the primary school's "Friday Flyer" being a highlight. School websites are compliant with statutory requirements and serve as a useful portal for parent information.

Pele Trust is governed well and Board Members are fully up to date with the requirements of the ESFA and our funding agreements. They are made aware of the annual updated Academies Handbook.

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.

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 2023 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 ensure sustained excellence in leadership and management at all levels in our Trust schools
- To sustainably grow the Trust to 10-12 schools and 7500 pupils

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Our schools' have a shared ambition as documented in the Pele Trust Scheme of Delegation. The ambition of the MAT is as follows:

To be a learning community where strong relationships ensure that everyone ...

- is happy
- learns and improves
- is known well and valued for who they are
- is included and listened to
- is fulfilled
- feels safe and secure
- promotes health and well being
- consistently experiences a rich, stimulating and challenging learning environment
- experiences a broad and balanced curriculum including a varied enrichment offer
- strives for excellence in all they do
- receives high quality and timely advice, support and guidance
- treats others with respect, dignity and courtesy at all times.
- contributes positively to the improvement of all of our schools
- recognises the important partnership between parents and school
- achieves exceptionally well from their individual starting points

Directors reviewed the Pele Trust values during the reporting period and have defined those as below:

- We are committed to pursuing excellence in a manner that we can be proud of and that values every child, pupil and student equally
- We are committed to acting with integrity and honesty in all of our decision making
- We are committed to operating with openness and transparency and welcome the benefits of peer review and external scrutiny
- We are committed to making a positive contribution to the development of the Trust and recognise that we will receive support and challenge in return
- We believe that all individuals should be treated with compassion and kindness
- We are optimistic in our outlook and see a positive future for our schools and pupils as we work together to meet the challenges ahead
- We believe that leaders at all levels should demonstrate humility and a sense of service to others
- We will seek to uphold and model the Nolan principles of public life, namely: selflessness; integrity; objectivity; accountability; openness; honesty; and leadership

The Trust has adopted a School Improvement Strategy and each 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

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 2023

Strategic report

Achievements and performance

The period in review has been marked by significant milestones, not least of which were Ofsted inspections conducted at four Trust schools. This year, Ponteland Primary, Richard Coates, and Heddon St Andrews had ungraded inspections, while Ponteland High School received a graded inspection. All four schools have maintained their status as 'Good' schools.

Comments from the published reports reflect the Trust's commitment to maintaining high educational standards and providing enriching learning environments and experiences. Examples include:

- 'Ponteland Primary is a truly inclusive school where pupils, parents and carers, and staff all feel a sense of belonging. Leaders at all levels work hard to provide an ambitious curriculum that goes beyond the academic. A strong extracurricular offer and exceptional cultural experiences enable pupils to flourish.
- 'Leaders and staff have high ambitions for what pupils can, and will, achieve at Ponteland High School. Pupils understand that they are expected to give their best every day. Pupils reflect these expectations in their positive attitudes to learning and excellent conduct.'
- 'Pupils enjoy their time at this inclusive school. The Christian ethos of 'let your light shine' really does permeate all aspects of school life. Leaders want the best for all pupils. They set high expectations for pupils to be successful in their achievements. Pupils know this and respond well to such expectations.' (Richard Coates Primary School)
- 'Teachers expect a lot from pupils and they get it. Warm and caring relationships are a key feature of the school. Leaders provide a myriad of planned opportunities to support pupils' wider development. Pupils learn to become sensible, grounded young people who show respect.' (Heddon on the Wall St Andrews)

2022/23 saw increased collaboration between Ponteland Primary School and Belsay Primary School following the resignation of Belsay's Headteacher at the end of the 2021/22 academic year. The Headteacher and Deputy Headteacher from Ponteland Primary took on Executive Headteacher and Head of School roles at Belsay and have driven improvements which included the introduction of a new global curriculum, enhanced CPD programme and the delivery of extensive extracurricular programme.

Trust leaders have continued to develop the Peer Review programme in 2022/23 with four schools having received a 1-day review focused on Personal Development and two schools receiving a whole school 2-day peer review. Peer reviews form a key part of Pele Trust's school improvement offer and are supported by practising Ofsted inspectors. Their purpose is to support school leaders in making their quality assurance and self-evaluation processes more robust and accurate.

Pele Trust pupils have benefited from funding received from the British Council and all primary schools had pupils who were able to participate in trips to Greece, France and Spain. Participation in the Turing Scheme has had a great impact on those involved and a significant proportion of those who took part are from disadvantaged backgrounds.

Over 90% of all pupil participants reported that they felt more confident in travelling abroad, more at ease meeting new people, and just under 90% shared that they were more motivated to learn a foreign language. Perhaps this quote from a ten-year-old participant with additional needs sums it up, "My heart is booming right now. It is booming with happiness because I love Paris and I love meeting all the French people and it is booming with sadness because I don't want to leave."

GCSE and A Level Results

Pupils at Ponteland High School achieved the following GCSE results:

Attainment 8	50.14
Progress 8	-0.17
Pupils achieving grade 5 and above in English and Maths	51.4%
Pupils achieving grade 4 and above in English and Maths	71%
Pupils entering EBacc	59.2%
EBACC Average Point Score	4.47

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Progress 8 shows how much progress pupils at Ponteland High School 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.

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.

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.

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.

Directors have reviewed academic performance in detail and are satisfied that pupils have achieved well in the backdrop of a very challenging two-year period. The overall performance of individual subjects has been stable, as is the case with English outcomes. However, GCSE outcomes in Maths were slightly disappointing particularly at Grade 5 and higher therefore this is a key focus within the 2023-24 academic year.

A Level Results

- Average A Level grade = B-
- Average point score per A level entry = 37.59
- Average academic exam entry = B-
- Average point score per academic entry = 37.19
- Average grade for Applied General = Distinction
- Average grade Technical Level = Distinction+

Destinations

In 2023 111 students gained places at 31 different institutions including Newcastle, Oxford, Durham, St. Andrews, Sheffield, York, Liverpool, and Bristol. Northumbria University remains the most popular university destination.

The most popular degree courses included Psychology, Business and Economics, with several students studying MFL at university this year.

A further 17 went on to apprenticeships, employment or gap years.

Directors were pleased to note that the 2023 outcomes were the highest achieved within Northumberland and the most positive results ever achieved by the school.

PELE TRUST

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Primary School Key Stage 2 Results

	National	Belsay	Darras Hall	Heddon Andrews	St Ponteland Primary	Richard Coates
Number of pupils	-	6	87	29	62	29
% achieving expected standard in 71 Maths		50	90	100	77.4	68.9
% achieving greater depth in Maths -		0	35.6	68.9	17.7	10.3
% achieving expected standard in 74 Reading		83.3	83.9	100	77.4	72.4
% achieving greater depth in - Reading		16.6	39	68.9	24.2	31
% achieving expected standard in 69 Writing		83.3	86.2	86.2	88.7	79.3
% achieving greater depth in - Writing		0	25.3	10.3	24.2	10.3
% achieving expected standard in 72 SPAG		50	88.5	100	72.3	72.4
% achieving greater depth in SPAG		0	40.2	82.8	27.4	20.7
% meeting expected standard in 59 reading, writing and maths		33	91	86	68	59

Directors noted that outcomes at Trust level demonstrate that attainment is well above national figures in all subject areas. Individual schools have identified areas where performance can be improved and this is the focus for improvement plans in 2023-24.

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

Pele Trust Directors accept that they must act in a way most likely to promote the success and purpose of the company and in doing so should have regard to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company.

In addition to Directors commitment to promoting the success of the company in the ways that are outlined throughout this report, the Trust Strategic Plan outlines the priorities for the forthcoming period and provides a clear framework for Directors in terms of the Trust's activities and intent.

Financial review

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

Total funds of the trust, as at 31 August 2023, amount to £5,126,707. £2,004,707 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.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The overall in year position for the Trust was positive. All schools except Richard Coates recorded an in-year surplus which was better than forecast. The overall Trust surplus was more than initially forecast which is largely down to receipt of additional funding from ESFA.

Richard Coates financial position is due to reducing pupil numbers in the past 3 years which Directors intend to address in the coming months through consulting on a proposal to reduce their Published Admission Number. The majority of the surplus continues to sit in Ponteland High School, Darras Hall Primary and Ponteland Primary.

Directors of the Trust are conscious of increases in costs that may arise in relation to growth plans so at this time consider the reserves to be key to ensure the future viability of the Trust.

Liabilities in relation to the Local Government Pension Scheme amounting to £106,000 are included in the restricted funds.

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 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Reserves policy

Directors have reviewed the financial risks in terms of impact and likelihood as part of the strategic risk management process. The main financial risk to the Trust is that of managing its short-term cash flow effectively. Other financial risks include low or fluctuating pupil numbers, increasing staffing costs, increasing energy costs, significant building issues, long term staff absences and equipment failure.

The Trust has centrally held reserves of £250,000.

As at the 31 August 2023 the Trust's total free reserves were £2,004,707. £28,346,408 is the value of reserves which could only be realised through the disposal of tangible fixed assets.

Directors recognise that this is in excess of the reserves defined in the trust Reserves Policy however given a certain degree of instability in government funding policy for education, funds must be available to cover costs until such a time as government funding position is clear.

Investment policy

Directors aim to maximise the total investment return by maximising income without unnecessary risk. In 2022/23 Directors agreed to invest funds in higher interest bank accounts. Careful consideration was given to the investment strategy to ensure that the investment was as risk free as possible so funds have been spread in fixed term interest accounts of between 35 days and 12 months. The accounts are all with UK based banks and interest earned to date has been reinvested.

All remaining free funds are invested at Lloyds bank in cash deposits at market rates.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

Ones to watch

Schools across the sector are seeing an increasing number of unfilled vacancies and Pele Trust is no different. In previous years this has tended to be more prevalent for Professional Support Staff, such as Teaching Assistants and cleaning and catering roles, however, the Trust has also seen a falling number of applicants for teaching roles in some schools. The use of agency staff is plugging some of the gap while roles are re-advertised and the Trust is committed to reviewing structures in a timely fashion to ensure that recruitment processes are as seamless as possible.

The Trust has been able to minimise the impact of the ongoing disputes over pay and conditions and have not had to close schools other than for specific classes or year groups.

The management of the estate has been a priority in this reporting period with some significant investment in all sites to improve both building compliance and the learning environment.

Richard Coates and Belsay have seen reduced pupil numbers in the reporting period which brings financial uncertainty, particularly for Richard Coates in future years albeit we expect that this will be short rather than long term should the plan to resolve be approved.

Effective budget controls are in place, however, some schools will require tight monitoring to ensure that they remain financially stable.

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

Pele Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

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.

Streamlined energy and carbon reporting

The Trust reports the following energy use for the period 1 September 2022 to 31 August 2023:

	2023	2022
<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		
- Gas combustion	979,016	2,475,972
- Fuel consumed for transport	11,805	114,143
- Electricity purchased	885,196	729,588
	<u>1,876,017</u>	<u>3,319,703</u>
	2023	2022
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	178,730.00	451,964.00
- Fuel consumed for owned transport	311.00	285.95
	<u>179,041.00</u>	<u>452,249.95</u>
Scope 2 - indirect emissions		
- Electricity purchased	141,082.00	141,082.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Pele Trust (the MAT)	28,065.00	1,388.34
	<u>348,188.00</u>	<u>594,720.29</u>
Total gross emissions		
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	<u>121.35</u>	<u>196.02</u>

There is an apparent reduction in gas consumption in the period which is due to 21/22 figures being estimated for Ponteland High and Ponteland Primary schools as they moved into a new-build shared facility. More accurate metering and a review of the usage of all parties using the shared site has enabled the Trust to more accurately assess its own gas combustion on those two sites, hence the apparent reduction.

The upgraded boilers at Richard Coates and Heddon St Andrews installed in 2021/22 appear to have contributed towards a reduction in gas combustion at both sites and in 2022/23 Heddon St Andrews has benefitted from new, energy efficient windows throughout and we expect to see the benefit of that in the coming academic years

PELE TRUST

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Pupils in Pele Trust schools are actively engaged in the role they have to play in reducing their carbon footprint and improving energy efficiency. Some examples include Ponteland High School's "Meat Free Mondays" where all school meals are meat free, as well as their use of wooden cutlery rather than single-use plastic and a drive to increase the number of reusable bottles in use; our primary schools have been awarded Eco Schools Green Flag status and Silver Awards; several schools have participated in walk to school weeks or The Big Pedal and have an ongoing focus on waste management and energy efficiency.

Plans for future periods

The growth of Pele Trust is a priority for Directors in 2023-24. The DfE Regional Director has agreed the addition of two currently maintained secondary schools which will see the Trust double in size, both in terms of revenue and pupil numbers. Ground work for the two conversions has been in progress throughout the reporting period and Pele Trust and the joining schools are very much looking forward to strengthening relationship and providing mutual support and collaboration for the benefit of approximately 5500 pupils.

In addition the Directors remain committed:

- 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 ensure sustained excellence in leadership and management at all levels in our Trust schools
- To explore options for the sustainable growth of the Trust

Each school will continue to deliver their own strategic priorities, working closely with each other and with Trust Directors, Executive Leaders and school improvement partners to achieve them.

The transition between primary and secondary school remains an area of focus for the Trust with many shared activities, events and learning to support students as they progress from year 6 to year 7. The programme continues to grow with new projects and increased opportunities to expose primary pupils to secondary school teachers, environment and expectations.

The Trust's central team of finance and business management partners are a well-established and stable team working alongside Headteachers and Academy Committees to ensure that schools are financially efficient and working within the constraints of their budgets. Directors receive monthly management accounts and are adequately skilled to interpret them.

The delivery of the Pele Trust strategic estates plan is an ongoing focus for 2023/24 and Directors are committed to maintaining an estate that is:

- Accessible, safe and secure thereby meeting all legislative and health and safety standard
- Modern and comfortable; developing a welcoming environment that offers high quality teaching and learning spaces to support pedagogical practices
- Able to meet school digital requirements - ensuring that infrastructures are in place that allow for flexible use of spaces and ever-changing IT needs and uses
- Adequately equipped with outdoor and sporting facilities allowing pupils to play in safe conditions and develop long term commitments to sport and physical activity.
- Fit for current and future pupil needs; future proofing to cater for growth and flexible use of spaces for learning and play.
- Sustainable; by improving the environmental performance of the estate and committing to carbon reduction strategies.

PELE TRUST

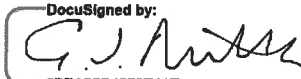
DIRECTORS' REPORT (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2023*

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 14 December 2023 and signed on its behalf by:

DocuSigned by:

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G Miller
Chair

PELE TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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.

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)	11	11
R Kohli	8	8
R Golightly	7	8
M Stromsoy	11	11
H Clear-Hill	8	8
L Joicey	7	8
J Tate (Resigned 13 November 2022)	1	1
A Gibson	5	8
J McGowan	6	8

*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. 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 schools
- 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.

PELE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

The Board commissioned National Governance Association to undertake an independent review of governance in the reporting period which found that "The board of Pele Trust is strong and provides robust strategic oversight. The skill set of the board brings experience from both education and commercial sectors and was consistently identified as a strength, and the board offers a good balance of both challenge and support which fosters an environment conducive to openness and transparency."

Relevant recommendations from the review have been, or are in progress of being, actioned.

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 register of interests and has a clear view on where any conflict could potentially exist.

Review of value for money

The Accounting Officer of the Trust, Kieran McGrane, has responsibility for ensuring that the Trust delivers good value in use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer's resources received.

The Accounting Officer considers how the use of resources has provided good value for money during each academic year, and reports to the board of directors where value for money can be improved, including the use of benchmarking data where available. The Trust has delivered improved value for money during the year in the following ways:

- Realigning resources to either reduce costs or ensure continuity of delivery to schools, specifically at Belsay and Richard Coates primaries.
- Improving school environments which will reduce ongoing maintenance costs, including the delivery of a window replacement scheme at Heddon St Andrews.
- Providing shared business management support functions delivered by Central Services
- Continuing to support the delivery of Facilities Management, Statutory and Grounds Maintenance which enables schools to maintain and enhance their building in ways they would not have been able to as maintained or standalone schools.
- Further developing the school improvement offer across the Trust, offering bespoke training to schools and sharing resources to ensure continuous improvement.

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 2022/23 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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

PELE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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:

- Previous reports and planning
- Income and payments (Substantial Assurance)
- Student records (Substantial Assurance)
- GDPR (Reasonable Assurance)

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:

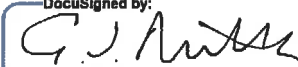
- Internal audit reviews
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive leaders within the Trust who have responsibility for the development and maintenance of the internal control framework
- Correspondence from ESFA

PELE TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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.

Approved by order of the board of directors on 14 December 2023 and signed on its behalf by:

DocuSigned by:

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G Miller
Chair

DocuSigned by:

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K McGrane
Accounting Officer

PELE TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023

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 2022, 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 2022.

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

DocuSigned by:

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K McGrane
Accounting Officer

14 December 2023

PELE TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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:

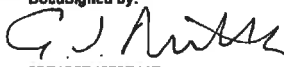
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 14 December 2023 and signed on its behalf by:

DocuSigned by:

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G Miller
Chair

PELE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PELE TRUST FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Pele Trust for the year ended 31 August 2023 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 2022 to 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2022 to 2023.

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 2023

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 2023

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 2022 to 2023 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 2023

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.

Azets Audit Services

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

18/12/2023
.....

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 2023

In accordance with the terms of our engagement letter dated 22 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pele Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 2023

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

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated:18/12/2023.....

PELE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and capital grants	3	74,646	-	798,736	873,382	740,260
Charitable activities:						
- Funding for educational operations	4	736,469	17,536,973	-	18,273,442	17,315,627
Other trading activities	5	906,969	-	-	906,969	606,314
Investments	6	102,493	-	-	102,493	1,339
Total		1,820,577	17,536,973	798,736	20,156,286	18,663,540
Expenditure on:						
Raising funds	7	602,767	1,695	-	604,462	393,448
Charitable activities:						
- Educational operations	9	712,352	18,561,765	1,370,905	20,645,022	18,968,999
Total	7	1,315,119	18,563,460	1,370,905	21,249,484	19,362,447
Net income/(expenditure)		505,458	(1,026,487)	(572,169)	(1,093,198)	(698,907)
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	4,748,000
Net movement in funds		491,524	777,761	(1,155,483)	113,802	4,049,093
Reconciliation of funds						
Total funds brought forward		1,513,183	1,531,502	29,501,891	32,546,576	28,497,483
Total funds carried forward		2,004,707	2,309,263	28,346,408	32,660,378	32,546,576

PELE TRUST

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

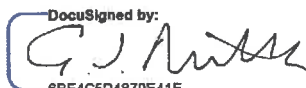
FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £
Income and endowments from:					
Donations and capital grants	3	41,396	-	698,864	740,260
Charitable activities:					
- Funding for educational operations	4	661,768	16,653,859	-	17,315,627
Other trading activities	5	606,314	-	-	606,314
Investments	6	1,339	-	-	1,339
Total		1,310,817	16,653,859	698,864	18,663,540
Expenditure on:					
Raising funds	7	380,835	12,613	-	393,448
Charitable activities:					
- Educational operations	9	643,331	16,978,121	1,347,547	18,968,999
Total	7	1,024,166	16,990,734	1,347,547	19,362,447
Net income/(expenditure)		286,651	(336,875)	(648,683)	(698,907)
Transfers between funds	20	(3,340)	256,802	(253,462)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	22	-	4,748,000	-	4,748,000
Net movement in funds		283,311	4,667,927	(902,145)	4,049,093
Reconciliation of funds					
Total funds brought forward		1,229,872	(3,136,425)	30,404,036	28,497,483
Total funds carried forward		1,513,183	1,531,502	29,501,891	32,546,576

PELE TRUST**BALANCE SHEET****AS AT 31 AUGUST 2023**

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	13		12,929		-
Tangible assets	14		27,626,742		28,858,527
			<u>27,639,671</u>		<u>28,858,527</u>
Current assets					
Stock	15	6,932		9,096	
Debtors	16	467,431		525,511	
Cash at bank and in hand		8,904,086		8,058,148	
		<u>9,378,449</u>		<u>8,592,755</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(4,244,149)		(3,750,425)	
Net current assets			<u>5,134,300</u>		<u>4,842,330</u>
Total assets less current liabilities			<u>32,773,971</u>		<u>33,700,857</u>
Creditors: amounts falling due after more than one year	18		(7,593)		(9,281)
Net assets excluding pension liability			<u>32,766,378</u>		<u>33,691,576</u>
Defined benefit pension scheme liability	22		(106,000)		(1,145,000)
Total net assets			<u><u>32,660,378</u></u>		<u><u>32,546,576</u></u>
Funds of the Pele Trust (the MAT):					
Restricted funds	20				
- Fixed asset funds			28,346,408		29,501,891
- Restricted income funds			2,415,263		2,676,502
- Pension reserve			(106,000)		(1,145,000)
Total restricted funds			<u>30,655,671</u>		<u>31,033,393</u>
Unrestricted income funds	20		<u>2,004,707</u>		<u>1,513,183</u>
Total funds			<u><u>32,660,378</u></u>		<u><u>32,546,576</u></u>

The accounts on pages 28 to 54 were approved by the directors and authorised for issue on 14 December 2023 and are signed on their behalf by:

DocuSigned by:

 8BE4C5D4870E41E...
 G Miller
 Chair

Company registration number 11395017 (England and Wales)

PELE TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash provided by operating activities	23		98,446		2,449,704
Cash flows from investing activities					
Dividends, interest and rents from investments		102,493		1,339	
Capital grants from DfE Group		211,617		69,918	
Capital funding received from sponsors and others		587,119		603,546	
Purchase of intangible fixed assets		(13,685)		-	
Purchase of tangible fixed assets		(138,364)		(221,933)	
Proceeds from sale of tangible fixed assets		-		2,300	
Net cash provided by investing activities			749,180		455,170
Cash flows from financing activities					
Repayment of other loan		(1,688)		(1,687)	
Net cash used in financing activities			(1,688)		(1,687)
Net increase in cash and cash equivalents in the reporting period			845,938		2,903,187
Cash and cash equivalents at beginning of the year			8,058,148		5,154,961
Cash and cash equivalents at end of the year			8,904,086		8,058,148

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 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.

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.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £3,000 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

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Assets costing £3,000 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	125/46 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.

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.

1.7 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.

1.8 Leased assets

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

1.9 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.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

1.10 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.

1.11 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.

1.12 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.

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.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

1.13 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.

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Land and buildings

Some of the trust's land and buildings are occupied on a 125 year lease from the local authority. 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 2023 £	Total 2022 £
Donated fixed assets	-	-	-	25,400
Capital grants	-	798,736	798,736	673,464
Other donations	74,646	-	74,646	41,396
	74,646	798,736	873,382	740,260
	74,646	798,736	873,382	740,260

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the Pele Trust (the MAT)'s charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	14,814,721	14,814,721	14,615,728
Other DfE/ESFA grants:				
- UIFSM	-	243,835	243,835	229,805
- Pupil premium	-	407,908	407,908	400,729
- Start up grants	-	50,000	50,000	-
- PE and sports premium	-	92,570	92,570	73,616
- Rates	-	120,392	120,392	160,006
- Teachers pension grants	-	70,985	70,985	78,709
- Teachers pay grants	-	4,743	4,743	27,853
- Supplementary grant	-	389,345	389,345	162,112
- Mainstream schools additional grant	-	191,782	191,782	-
- Others	-	41,715	41,715	58,727
	-	16,427,996	16,427,996	15,807,285
Other government grants				
Local authority grants	-	1,043,986	1,043,986	841,167
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	64,991	64,991	5,407
Other funding				
Catering income	716,658	-	716,658	643,331
Other incoming resources	19,811	-	19,811	18,437
	736,469	-	736,469	661,768
Total funding	736,469	17,536,973	18,273,442	17,315,627

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	19,494	-	19,494	16,340
Catering income	9,910	-	9,910	6,640
Music tuition	1,720	-	1,720	668
Parental contributions	452,362	-	452,362	237,388
Other income	423,483	-	423,483	345,278
	906,969	-	906,969	606,314

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	102,493	-	102,493	1,339

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2023 £	Total 2022 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	154,947	-	449,515	604,462	393,448
Academy's educational operations					
- Direct costs	11,992,632	-	1,351,041	13,343,673	11,732,928
- Allocated support costs	2,828,503	3,307,823	1,165,023	7,301,349	7,236,071
	<u>14,976,082</u>	<u>3,307,823</u>	<u>2,965,579</u>	<u>21,249,484</u>	<u>19,362,447</u>

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	49,717	62,604
Depreciation of tangible fixed assets	1,370,149	1,349,080
Gain on disposal of fixed assets	-	(1,533)
Amortisation of intangible fixed assets	756	-
Fees payable to auditor for:		
- Audit	15,500	14,350
- Other services	4,819	3,600
Net interest on defined benefit pension liability	33,000	79,000

8 Central services

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

- Management Accounting, Financial Management/Transactional Services and ESFA Returns
- Audit and Quality Assurance
- Executive management and leadership
- Independent strategic school improvement advice and support for Headteachers and Academy Committees
- HR and legal professional services
- The cost of Payroll services
- The Apprenticeship Levy
- Risk Management and Business Continuity
- Governance
- Business Management
- Estate Management

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

8 Central services

(Continued)

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

- flat 5.25 percentage of AWPU received from the ESFA.

The amounts charged during the year were as follows:

	2023 £	2022 £
Belsay Primary School	13,849	14,406
Darras Hall Primary School	72,962	103,851
Heddon on the Wall St Andrew's CoE Primary School	33,441	32,786
Ponteland High School	397,933	447,627
Ponteland Primary School	70,935	69,049
Richard Coates CoE School	51,850	55,140
	<u>640,970</u>	<u>722,859</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Direct costs				
Educational operations	-	13,343,673	13,343,673	11,732,928
Support costs				
Educational operations	712,352	6,588,997	7,301,349	7,236,071
	<u>712,352</u>	<u>19,932,670</u>	<u>20,645,022</u>	<u>18,968,999</u>
			2023 £	2022 £
Analysis of support costs				
Support staff costs			2,828,503	3,337,630
Depreciation and amortisation			1,370,905	1,347,547
Technology costs			240,843	210,408
Premises costs			1,936,918	1,472,122
Legal costs			8,343	5,641
Other support costs			879,988	829,441
Governance costs			35,849	33,282
			<u>7,301,349</u>	<u>7,236,071</u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	10,977,259	9,746,718
Social security costs	1,049,922	939,982
Pension costs	2,623,172	3,092,024
Staff costs - employees	14,650,353	13,778,724
Agency staff costs	325,729	314,593
Staff restructuring costs	-	8,117
Staff development and other staff costs	14,976,082 78,767	14,101,434 65,566
Total staff expenditure	15,054,849	14,167,000
Staff restructuring costs comprise:		
Redundancy payments	-	8,117

Staff numbers

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

	2023 Number	2022 Number
Teachers	164	238
Administration and support	213	154
Management	20	18
	397	410

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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:

	2023 Number	2022 Number
£60,001 - £70,000	6	2
£70,001 - £80,000	1	3
£80,001 - £90,000	1	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

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 £931,260 (2022: £688,895).

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 2023, travel and subsistence expenses were reimbursed to 1 trustee at a cost of £577 (2022: £414 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 2023

13 Intangible fixed assets

	Computer licences £
Cost	
At 1 September 2022	-
Additions	13,685
At 31 August 2023	<u>13,685</u>
Amortisation	
At 1 September 2022	-
Charge for year	756
At 31 August 2023	<u>756</u>
Carrying amount	
At 31 August 2023	<u>12,929</u>
At 31 August 2022	<u>-</u>

14 Tangible fixed assets

	Land and buildings £	Computer equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2022	27,696,565	1,488,775	2,354,140	17,116	31,556,596
Additions	-	36,938	101,426	-	138,364
At 31 August 2023	<u>27,696,565</u>	<u>1,525,713</u>	<u>2,455,566</u>	<u>17,116</u>	<u>31,694,960</u>
Depreciation					
At 1 September 2022	1,253,252	847,005	592,717	5,095	2,698,069
Charge for the year	551,739	474,681	341,285	2,444	1,370,149
At 31 August 2023	<u>1,804,991</u>	<u>1,321,686</u>	<u>934,002</u>	<u>7,539</u>	<u>4,068,218</u>
Net book value					
At 31 August 2023	<u>25,891,574</u>	<u>204,027</u>	<u>1,521,564</u>	<u>9,577</u>	<u>27,626,742</u>
At 31 August 2022	<u>26,443,313</u>	<u>641,770</u>	<u>1,761,423</u>	<u>12,021</u>	<u>28,858,527</u>

15 Stock

	2023 £	2022 £
Uniform and catering stock	<u>6,932</u>	<u>9,096</u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 Debtors

	2023 £	2022 £
Trade debtors	65,978	34,727
VAT recoverable	103,675	103,512
Prepayments and accrued income	297,778	387,272
	<u>467,431</u>	<u>525,511</u>

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Other loans	1,688	1,688
Trade creditors	2,736,201	2,729,220
Other creditors	149,454	154,615
Accruals and deferred income	1,356,806	864,902
	<u>4,244,149</u>	<u>3,750,425</u>

18 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other loans	7,593	9,281
	<u>7,593</u>	<u>9,281</u>
Analysis of loans	2023 £	2022 £
Wholly repayable within five years	9,281	10,969
Less: included in current liabilities	(1,688)	(1,688)
	<u>7,593</u>	<u>9,281</u>
Loan maturity		
Debt due in one year or less	1,688	1,688
Due in more than one year but not more than two years	1,688	6,750
Due in more than two years but not more than five years	5,905	2,531
	<u>9,281</u>	<u>10,969</u>

PELE TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 AUGUST 2023

19 Deferred income	2023	2022
	£	£
Deferred income is included within:		
Creditors due within one year	228,483	192,711
	<u> </u>	<u> </u>
Deferred income at 1 September 2022	192,711	160,101
Released from previous years	(192,711)	(160,101)
Resources deferred in the year	228,483	192,711
	<u> </u>	<u> </u>
Deferred income at 31 August 2023	228,483	192,711
	<u> </u>	<u> </u>

Deferred income comprises NCC TPPG grant, PTA grant, parental contributions towards an Out of School club, Universal Infants' Free School Meals and trip income for the 2023-24 academic year received in advance.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Funds

	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 2023

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 2023.

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 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 £798,736 received in the year and a net £643,364 brought forward which has been utilised on asset additions and repairs across the trust. A net balance of £706,737 has been carried forward to 2023/24.

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

The school's restricted general and unrestricted funds were £4,419,970 at 31 August 2023.

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	1,693,165	14,615,728	(13,918,717)	286,326	2,676,502
UIFSM	-	229,805	(229,805)	-	-
Pupil premium	-	400,729	(400,729)	-	-
Other DfE/ESFA COVID-19 funding	80,125	5,407	(70,516)	(15,016)	-
Other DfE/ESFA grants	-	58,727	(58,727)	-	-
Other government grants	-	841,167	(826,659)	(14,508)	-
Teachers pension grant	-	78,709	(78,709)	-	-
Teachers pay grant	-	27,853	(27,853)	-	-
PE and sports premium	32,285	73,616	(105,901)	-	-
Rates	-	160,006	(160,006)	-	-
Supplementary grant	-	162,112	(162,112)	-	-
Pension reserve	(4,942,000)	-	(951,000)	4,748,000	(1,145,000)
	<u>(3,136,425)</u>	<u>16,653,859</u>	<u>(16,990,734)</u>	<u>5,004,802</u>	<u>1,531,502</u>
Restricted fixed asset funds					
Inherited on conversion	7,733,277	-	(313,547)	-	7,419,730
DfE group capital grants	520,343	658,464	(36,863)	(345,761)	796,183
Capital expenditure from GAG	191,013	-	(99,212)	92,299	184,100
Other capital funding (non EFSA)	-	15,000	-	-	15,000
Other donations	21,959,403	25,400	(897,925)	-	21,086,878
	<u>30,404,036</u>	<u>698,864</u>	<u>(1,347,547)</u>	<u>(253,462)</u>	<u>29,501,891</u>
Total restricted funds	<u>27,267,611</u>	<u>17,352,723</u>	<u>(18,338,281)</u>	<u>4,751,340</u>	<u>31,033,393</u>
Unrestricted funds					
General funds	1,229,872	1,310,817	(1,024,166)	(3,340)	1,513,183
Total funds	<u>28,497,483</u>	<u>18,663,540</u>	<u>(19,362,447)</u>	<u>4,748,000</u>	<u>32,546,576</u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

20 Funds

(Continued)

Total funds analysis by academy

	2023	2022
	£	£
Fund balances at 31 August 2023 were allocated as follows:		
Belsay Primary School	134,700	89,923
Darras Hall Primary School	496,218	383,211
Heddon on the Wall St Andrew's CoE Primary School	140,554	124,188
Ponteland High School	2,785,364	2,595,955
Ponteland Primary School	283,129	299,463
Richard Coates CoE School	95,846	167,725
Central services	484,159	529,220
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	4,419,970	4,189,685
Restricted fixed asset fund	28,346,408	29,501,891
Pension reserve	(106,000)	(1,145,000)
	<hr/>	<hr/>
Total funds	32,660,378	32,546,576
	<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 2023	Total 2022
	£	£	£	£	£	£
Belsay Primary School	306,351	67,252	41,780	103,735	519,118	571,175
Darras Hall Primary School	1,551,466	258,678	106,214	306,625	2,222,983	2,057,343
Heddon on the Wall St Andrew's CoE Primary School	846,591	177,156	96,578	164,170	1,284,495	1,131,185
Ponteland High School	6,351,444	1,218,957	577,461	1,624,759	9,772,621	8,495,862
Ponteland Primary School	1,594,682	322,977	328,370	378,135	2,624,164	2,214,332
Richard Coates CoE School	1,248,913	275,704	96,020	222,715	1,843,352	1,662,235
Central services	288,414	411,264	25,850	718,317	1,443,845	931,768
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	12,187,861	2,731,988	1,272,273	3,518,456	19,710,578	17,063,900
	<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 2023

21 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	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

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	28,858,527	28,858,527
Current assets	1,513,183	6,425,239	654,333	8,592,755
Current liabilities	-	(3,748,737)	(1,688)	(3,750,425)
Non-current liabilities	-	-	(9,281)	(9,281)
Pension scheme liability	-	(1,145,000)	-	(1,145,000)
Total net assets	1,513,183	1,531,502	29,501,891	32,546,576

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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

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

Teachers' Pension Scheme

Introduction

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

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

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019.

The key elements of the valuation and subsequent consultation are:

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

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,789,862 (2022: £1,611,493).

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) 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.

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.

Total contributions made	2023 £	2022 £
Employer's contributions	688,000	621,000
Employees' contributions	183,000	157,000
	<hr/>	<hr/>
Total contributions	871,000	778,000
	<hr/> <hr/>	<hr/> <hr/>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

22 Pension and similar obligations (Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	4.1	4.2
Rate of increase for pensions in payment/inflation	2.6	2.7
Discount rate for scheme liabilities	5.0	4.1
Inflation assumption (CPI)	2.6	2.7

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

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

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

	2023 £	2022 £
Discount rate + 0.1%	7,145,000	6,372,000
Discount rate - 0.1%	7,451,000	6,712,000
Mortality assumption + 1 year	7,116,000	6,359,000
Mortality assumption - 1 year	7,480,000	6,725,000
CPI rate + 0.1%	7,429,000	6,686,000
CPI rate - 0.1%	7,167,000	6,398,000

The Pele Trust (the MAT)'s share of the assets in the scheme	2023 Fair value £	2022 Fair value £
Equities	3,705,000	2,904,000
Government bonds	93,000	86,000
Corporate bonds	1,359,000	1,004,000
Cash	122,000	97,000
Property	741,000	599,000
Other assets	1,172,000	707,000
Total market value of assets	7,192,000	5,397,000

The actual return on scheme assets was £995,000 (2022: £(86,000)).

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

22 Pension and similar obligations	(Continued)	
Amount recognised in the statement of financial activities	2023	2022
	£	£
Current service cost	823,000	1,477,000
Past service cost	-	16,000
Interest income	(238,000)	(88,000)
Interest cost	271,000	167,000
	<u>856,000</u>	<u>1,572,000</u>
Total operating charge	856,000	1,572,000
	<u><u>856,000</u></u>	<u><u>1,572,000</u></u>
Changes in the present value of defined benefit obligations	2023	2022
	£	£
At 1 September 2022	6,542,000	9,810,000
Current service cost	823,000	1,477,000
Interest cost	271,000	167,000
Employee contributions	183,000	157,000
Actuarial gain	(450,000)	(4,922,000)
Benefits paid	(71,000)	(163,000)
Past service cost	-	16,000
	<u>7,298,000</u>	<u>6,542,000</u>
At 31 August 2023	7,298,000	6,542,000
	<u><u>7,298,000</u></u>	<u><u>6,542,000</u></u>
Changes in the fair value of the Pele Trust (the MAT)'s share of scheme assets	2023	2022
	£	£
At 1 September 2022	5,397,000	4,868,000
Interest income	238,000	88,000
Actuarial (gain)/loss	757,000	(174,000)
Employer contributions	688,000	621,000
Employee contributions	183,000	157,000
Benefits paid	(71,000)	(163,000)
	<u>7,192,000</u>	<u>5,397,000</u>
At 31 August 2023	7,192,000	5,397,000
	<u><u>7,192,000</u></u>	<u><u>5,397,000</u></u>

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

23 Reconciliation of net expenditure to net cash flow from operating activities

	Notes	2023 £	2022 £
Net expenditure for the reporting period (as per the statement of financial activities)		(1,093,198)	(698,907)
Adjusted for:			
Capital grants from DfE and other capital income		(798,736)	(698,864)
Investment income receivable	6	(102,493)	(1,339)
Defined benefit pension costs less contributions payable	22	135,000	872,000
Defined benefit pension scheme finance cost	22	33,000	79,000
Depreciation of tangible fixed assets		1,370,149	1,349,080
Amortisation of intangible fixed assets	13	756	-
(Loss)/profit on disposal of fixed assets		-	(1,533)
Decrease/(increase) in stocks		2,164	(3,212)
Decrease/(increase) in debtors		58,080	(138,250)
Increase in creditors		493,724	1,691,729
Net cash provided by operating activities		98,446	2,449,704

24 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	8,058,148	845,938	8,904,086
Loans falling due within one year	(1,688)	-	(1,688)
Loans falling due after more than one year	(9,281)	1,688	(7,593)
	8,047,179	847,626	8,894,805

25 Long-term commitments

Operating leases

At 31 August 2023 the total of the Pele Trust (the MAT)'s future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	15,801	14,299
Amounts due in two and five years	18,941	12,456
Amounts due after five years	146,350	147,690
	181,092	174,445

PELE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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. No related party transactions took place in the financial period.

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 2023 the trust brought forward £33,553 (2022: £17,607) undistributed funds from previous years, received £26,341 (2022: £22,857) and disbursed £13,945 (2022: £6,911) from the funds. £30,558 was repaid to the ESFA. An amount of £15,391 (2022: £33,553) is included in other creditors relating to undistributed funds that is repayable to ESFA.