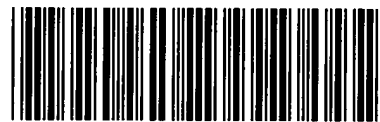


Company Registration No. 07909140 (England and Wales)

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

WEDNESDAY



A5LUC8C2

A21

14/12/2016

#191

COMPANIES HOUSE

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 16
Governance statement	17 - 21
Statement on regularity, propriety and compliance	22
Statement of Trustees' responsibilities	23
Independent auditor's report on the accounts	24 - 25
Independent reporting accountant's report on regularity	26 - 27
Statement of financial activities including income and expenditure account	28 - 29
Balance sheet	30
Statement of cash flows	31
Notes to the accounts including accounting policies	32 - 49

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees

M Stouph (Vice Chair)
P Thompson (Accounting officer)
Rev D Tolhurst (Chair)
J Murray
S Holden (Resigned 31 January 2016)
J Logan (Resigned 4 July 2016)
A Atkinson (Resigned 17 March 2016)
J Farnsworth (Resigned 3 December 2015)
Rev S Thorp (Resigned 4 July 2016)
Councillor C Marshall (Resigned 4 July 2016)
E Whelam-Tate (Staff trustee) (Resigned 4 July 2016)
L Norton (Staff trustee) (Resigned 4 July 2016)
J Little (Resigned 31 January 2016)
C Mitchell (Resigned 21 March 2016)
H Anderson (Resigned 4 July 2016)
P Procter (Appointed 4 July 2016)

Members

Bishop of Durham's Representative
Durham Board of Finance's Representative
Area Dean of Wearmouth Deanery
Benedict Biscop CE Academy Chair of Board of Governors

Senior management team

- Principal
- Vice Principal
- Assistant Vice Principal
- Academy Business Manager

P Thompson
S Armstrong
G Clark
H Swinhoe

Company secretary

C Henderson

Company registration number

07909140 (England and Wales)

Principal address

Marcross Drive
Moorside
Sunderland
Tyne & Wear
SR3 2RE

Independent auditor

Baldwins Audit Services Limited
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
REFERENCE AND ADMINISTRATIVE DETAILS**

Solicitors

BHP Law LLP
Kepier House
Belmont Business Park
Durham
County Durham
DH1 1TW

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates a Church of England Academy for pupils aged 3-11 years, serving a community in South Sunderland, admitting pupils who are wholly or mainly drawn from the area in which the school is situated. The Academy provides education for pupils of different abilities. The Academy has a curriculum satisfying the requirements of Section 1: Academies Act 2010 [balanced and broad based curriculum]. The Academy is at the heart of the community, promoting British values.

The Academy has a pupil capacity of 210 with 30 pupils in nursery and had a roll of 257 in the school census on 21st January 2016.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity (company number 07909140). The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The articles of association require the members of the Charitable Company to be responsible for the statutory and constitutional affairs of the charitable company and management of the Academy.

The Trustees for the charitable activities of Northern Lights Learning Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Northern Lights Learning Trust. From 4 July 2016 the company formed a Multi Academy Trust (MAT) to be known as The Northern Lights Learning Trust, of whom Benedict Biscop CE Academy is the only academy at the end of the accounting period.

Details of the Trustees who served throughout the period between 1st September 2015 and 31st August 2016, except as noted, are included in the Reference and Administrative Details on Page 1.

Members' liability

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

Trustees' indemnities

Every Trustee of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Method of recruitment and appointment or election of Trustees

Membership is determined in accordance with the composition set out in Article 12 onwards. This states that the Academy Trust is comprised as follows:

- 4 Members - 1 of whom is the Chair of Trustees
- 9 Foundation Trustees
 - 1 ex-officio appointed by Area Dean of Wearmouth
 - 2 Deanery Synod appointed by Wearmouth Deanery Executive
 - 3 Foundation Parents appointed by other Foundation Trustees supported by Area Dean of Wearmouth
 - 2 Board of Education representatives appointed by the Board of Education
 - 1 Bishop of Durham representative appointed by the Bishop of Durham through Director of Education
- 7 Non-Foundation Trustees
- 2 Staff Trustees elected by staff employed at the Academy
- 2 Parent Trustees elected by parents of pupils registered at the Academy
- 2 co-opted appointed by the Board of Trustees and/or the Academy Trust Members
- 1 ex-officio being the Principal

The Academy Trust Members are responsible for appointing the 9 Foundation trustees in discussion with the body they represent. The Principal is responsible for ensuring elections of Parent [Articles 53-58] and Staff Trustees [Articles 50A] are held in accordance with procedures. The full Board of Governors are responsible for co-opting up to 2 trustees onto the Academy Trust whose skills are invaluable to the Academy under Article 59. The Principal should be treated for all purposes as being an Ex-Officio Trustee.

The term of office of any Trustee shall be 4 years. The limit shall not apply to the Principal. Notwithstanding this, any Trustee may be reappointed or re-elected.

Method of Recruitment and Appointment or Election of Trustees from 4 July 2016 – The Northern Lights Learning Trust

Membership is determined in accordance with the composition set out in Article 12 onwards. This states that the Academy Trust is comprised as follows:

- 5 Members - 1 of whom is the Chair of Trustees
- 5 Trustees - 1 of whom is the Chair of the Local Academy Council, 1 Ex-officio Principal (Benedict Biscop CE Academy)

The Trust Members are responsible for appointing the 5 Trustees in discussion with the body they represent in accordance with the composition set out in Article 45 onwards.

The Trustees are responsible for appointing 9 members of the Local Academy Council of Benedict Biscop CE Academy, in discussion with the Chair of the Local Academy Council of Benedict Biscop CE Academy. The Trustees are entitled to serve on the Local Academy Council.

Membership of the Local Academy Council of Benedict Biscop CE Academy is determined by the Trustees, who will appoint a Chair of the Local Academy Council of Benedict Biscop CE Academy.

The Principal is responsible for ensuring elections of 2 Parent [Articles 54-56] and 1 Staff member of the Local Academy Council of Benedict Biscop CE Academy are held in accordance with procedures.

The term of office of any Trustee shall be 4 years in accordance with Article 64. The limit shall not apply to the Principal. Notwithstanding this, any Trustee may be reappointed or re-elected.

There are currently 2 Local Academy Council Vacancies.

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of Trustees

A formal policy for induction and training of Trustees has been agreed. In addition, training is provided by South Tyneside Council through their training programme [which is open to all Trustees]. The following training has specifically taken place for our Trustees:

Induction of newly appointed Trustees provided by South Tyneside Local Authority
Assessment without levels/RAISE Online
Inspire Maths
Room to Talk (mental health)
Governor Mark (awarded July 2016)
E-Safety
Safeguarding-DESIGNATED SAFEGUARDING LEAD
Prevent
Admissions
Building Capacity in a Multi Academy Trusts
Due Diligence
Health and Safety
Leadership of Church Schools
The future of Multi Academy Trusts

Organisational structure

The Academy's unified management structure consist of 3 levels: the Trustees, the Senior Leadership Team [SLT] and the Academy Business Manager.

The Trustees are responsible for determining general policy, adopting an annual School Improvement Plan following a self-evaluation review, monitoring the practices and procedures adopted by the Academy, determining strategic direction of the Trust, capital expenditure and senior staff appointments. They delegate the day to day operational management to the SLT who follow policies determined by and adopted by the Trustees.

The SLT consists of the Principal, Vice Principal and Assistant Vice Principal. They are supported by the Inclusion Manager and Foundation Stage Leader. The SLT lead and manage the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Principal and Trustees are responsible for authorisation of spending with agreed budgets as stated in the Scheme of Delegation and Finance Handbook and the appointment of staff.

The Academy Business Manager is responsible for the management of the financial systems, sourcing additional funds, ensuring efficient and effective use of resources. The Academy Business Manager is responsible for authorisation of spending up to agreed limits as stated in the Scheme of Delegation and Finance Handbook. The Academy Business Manager is responsible for the management of all support staff and efficient operation of the school office.

The Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees review the pay and remuneration policy annually following the guidance of School Teachers Pay and Conditions (STPC). This applies to the academy's key management personnel and takes into account any benchmarks, parameters or criteria used in setting their pay. Annual Performance Management reviews (external and internal) recommend pay awards to the Trustees, who decide any pay awards within the identified pay range for individuals. Additional responsibilities are also taken into account.

Related parties and other connected charities and organisations

Trustees have declared no business interests to date and where any trustees should declare an interest, procedures are in place to address this. The Academy have adopted a policy that if there are any interests declared, the trustee would remove themselves from the decision making process.

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Related parties at Northern Lights Learning Trust are the Diocese, the Deanery and the church community, with regular information sent to the Diocesan Director of Education.

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company, The Northern Lights Learning Trust - Benedict Biscop Church of England Academy, is to provide education for pupils of different abilities between the ages of 3-11. In accordance with the Articles of Association, the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

Benedict Biscop Church of England Academy is non-selective and offers all pupils a broad curriculum. The pupils who attend live mainly in the Doxford Ward, City of Sunderland South. To assist academic achievement and to support parents returning to work or part time/ full time education, the Academy operates a breakfast club, after school care facilities and flexible wrap around nursery provision. The Academy also offers its pupils activities and experiences beyond the school day, many pupils of all ages participate in a variety of experiences which enhance learning and social development.

The Academy organises various visits to develop learning beyond the classroom and there is a developing partnership with other countries.

Mission

The Academy will create a safe, stimulating and happy learning environment within which all members of our school family realise their potential, aspiring to excellence in all aspects of life, in the light of the Christian faith.

School Aims

- To promote Christian values within the school as exemplified by the life and teaching of Jesus Christ, so that everyone develops confidence in their own ability, with healthy self-esteem, working collaboratively, showing tolerance, commitment, responsibility, respect and care for everyone.
- To stimulate in each child a sense of curiosity and excitement about the world and to encourage him/her to search for truth, meaning and purpose in life and to provide an opportunity to search for a faith by which to live.
- To encourage each member of the school community to develop their full potential by promoting the highest standards of achievement in all areas, to enable pupils to grow and achieve fullness of life through discovering and developing their talents.
- To provide a broad and balanced curriculum which will develop lively enquiring minds to prepare each child to meet the challenges of the future with confidence.
- To provide a welcoming, stimulating learning environment in which the contributions of all members of the school community are valued and celebrated.
- To develop strong links and positive relationships with Trustees, parents, the Church, local industry and local communities.

Our values are developed through the curriculum and made real in our daily lives.

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, strategies and activities

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance and public benefit.

Objectives for 2016-17 specifically are as follows and are linked to the Academy Improvement Plan.

- Increase in % pupils making accelerated progress in English and Mathematics.
- Tracking procedures for English and Mathematics are effective and accurate with all pupils categorised within target setting procedures. Pupils identified to be targeted for at least Expected progress. Greater Depth attainment and plan of work in English and Maths developed to ensure this improves in every class.
- Develop improved ability to SPELL accurately, focusing on improving mental ability and use of spelling strategies independently in all writing.
- Develop new MARKING policy which specifically addressed misspelt words in writing.
- Introduce RWInc in EYFS and intervention.
- Progress in Mathematics from pupil starting points is accelerated. Develop improved ability to problem solve, focusing on improving mental mathematics and use of bar modelling to ensure pupils can solve multi step complex problems.
- Sustain the high quality of teaching in all year groups, with particular focus in EYFS [attainment] and KS2 [progress] on teaching of mathematics and spelling.
- Ensure all learners apply their learning across the curriculum, deepening understanding through a mastery approach.
- Embed new assessments across school in all curriculum areas, to ensure pupils continue to attain highly and secure at least good outcomes.
- Embed new curriculum, deepening understanding through a mastery approach ensuring this is the driver for the assessment.
- Introduce new personal development curriculum which enhances development of mental well being and whole person.
- Link curriculum with RE and development of SMSC.
- Improve quality of writing in RE
- Achieve OUTSTANDING SIAMS outcome.
- Develop MAT structures, roles and responsibilities with a clear focus on support for other schools.
- Secure leadership at every level.

Public benefit

The Trustees confirm they have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising their powers or duties. The standard of education offered to all pupils is outstanding and is referenced in the following section.

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

The Academy Trust have been successful in achieving all aims set for 2015-16, including the achievement of Governor Mark and conversion to Multi Academy Trust.

2015-16 The Academy has continued to attain high standards – well above national in all areas, demonstrating outstanding progress and attainment in all Key Stages.

Ofsted 2012 - Outstanding in all areas
Statutory Inspection Anglican Schools 2012 - Outstanding in all areas
Gold Arts Mark Award - September 2013
Gold Investors in People - February 2014
Early Years Review – March 2014, March 2015 [Outstanding]
Full International Award – August 2014
RE Quality Mark Gold October 2014
Basic Skills 6 Award October 2014
Rights Respecting Award March 2015
Gold Anti-Bullying Charter Mark July 2015
KidSafe February 2016
Early Years Basic Skills 2015
Teaching and Learning in all Key Stages outstanding [internal self-evaluation]
Governor Mark 2016

Attainment and Progress-

EYFS

2016 assessments indicate that OUTSTANDING attainment.

80% [24] pupils 2016, [85% 2015, 78% 2014] pupils have attained a Good Level of Development (GLD) and show a three year improving trend. 74% girls and 81% boys achieved a GLD – showing that the provision at Benedict Biscop is accelerating boys attainment.

On entry to Nursery pupils' attainment is either typical for their age with usually a third of all pupils below, however in 2015, 50% of pupils were below typical level of attainment for their age.

School data shows that attainment on entry to the Early years has fallen since the time of the previous inspection. Data now indicates that although there is a wide range of abilities on entry, skills and understanding are generally below those typical for their age.

Attainment on entry to Reception 2015 has increased over the last three years, as a result of newly established EYFS unit and new team developing provision to meet pupil need. This has resulted in OUTSTANDING attainment on exit.

Phonics Screen 2016 results [Year 1]

Pass	
School	National
93%	81%

Attainment in the KS1 phonics screen is well above National, attributable to phased phonics teaching (EYFS and KS1) which is established, rigorous tracking against age related expectations and successful intervention programmes.

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

Key Stage 1

At the end of KS1 attainment is consistently outstanding overall. Standards are significantly above the National Average for pupils meeting the expected standard (+17% Reading, +24% in Writing, +24% in Mathematics,).

		% achieving BELOW (NS)	% achieving EXPECTED (AS)	% achieving Greater Depth or reaching a high score	Class Average Scaled Score
Mathematics	School	3%	97%	40%	110
	National	27%	73%	18%	-
Reading	School	9%	91%	34%	109
	National	26%	74%	24%	-
Writing	School	11%	89%	29%	-
	National	35%	65%	13%	-
Science	School	9%	91%	-	-
	National	-	-	-	-
GPS	School	9%	91%	-	107
	National	-	-	-	-

3 YEAR TREND 2014-16

	Achieved 2B or above in Reading	Reached the expected standard in Reading	Achieved 2B or above in Writing	Reached the expected standard in Writing	Achieved 2B or above in Maths	Reached the expected standard in Maths	Achieved 2B or above in GPS	Reached the expected standard in GPS
2014	94%		88%		88%			
2015	91%		84%		91%			
2016		91%		89%		97%		91%

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

2016 – Improving trend in Reading, Writing and Mathematics.

Key Stage 2

At the end of KS2 attainment is consistently outstanding overall. Standards are significantly above the National Average for pupils meeting the expected standard (+31% Reading, +26% in Writing, +21% in Mathematics, +27% GPS) and the National floor targets of 65%.

Number of pupils meeting the expected standard in both English and Mathematics in 2016 is 91%. This is significantly above National (+38%).

		% achieving BELOW (NS)	% achieving EXPECTED (AS)	% achieving Greater Depth or reaching a high score	Class Average Scaled Score
Mathematics	School	9%	91%	31%	107.1
	National	30%	70%	17%	103
Reading	School	3%	97%	44%	108.4
	National	34%	66%	19%	103
Grammar, Punctuation and Spelling.	School	16%	84%	56%	110
	National	28%	72%	23%	104
Writing [teacher assessment]	School	0%	100%	50%	108
	National	26%	74%	15%	103
RWM	School	9%	91%		
	National	47%	53%		

These figures are yet to be validated by the Department for Education.

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

3 YEAR TREND [2014-16]

	Achieved L4 or above in Reading	Reached the expected standard in Reading	Achieved L4 or above in Writing	Reached the expected standard in Writing	Achieved L4 or above in Mathematics	Reached the expected standard in Maths	Achieved L4 or above in GPS	Reached the expected standard in GPS	Achieved L4 or above in RWM	Reached the expected standard in RWM
2014	100%		97%		97%		90%		94%	
2015	97%		93%		97%		97%		93%	
2016		97%		100%		91%		89%		91%

In 2016, the expected National standard was raised (previously L4). As a result National figures are not comparable to those for earlier years. However it is evident from the significantly high results in 2016 that standards at Benedict Biscop have been further improved indicating a potential improving trend over three years in all subjects.

2016 Progress KS1 – KS2 is at least good, if not outstanding overall, as a result of challenge for more able pupils within KS2 and targeted intervention for pupils identified for achieving Greater Depth within the Y6 class.

School has been identified within the top 5% of schools Nationally for progress in Writing [4.8] and the top 25% of schools for Reading [3.2] and Mathematics [2.0].

Attendance is 97.6% [2015 97.6%] and is consistently high. % pupils whose absence is 90% [new figure for persistent absence 2015] and below is 1.37%. [4 pupils: 3 attributable to illness and 1 to holiday]

2014-15	2015-16
2.2%	1.37%

Key performance indicators

Most of the Academy's income is received from the Education Funding Agency [EFA] in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31st August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 29. Details of all grants and income received can be found in notes 2 to 5.

During the year ended 31st August 2016 expenditure amounting to £1,230,384 was incurred or accrued, including depreciation. This was offset by grants receivable from the EFA, the Local Authority and income from the breakfast club, afterschool clubs and wrap around nursery education used to ensure this business is sustainable.

At 31st August 2016 the net book value of fixed assets was £281,689. The assets were used to exclusively to provide education and associated services to the pupils of the Academy.

During the latter part of 2015-16, the Trust was granted planning permission to provide a multi-purpose Learning Centre, which will greatly enhance the provision for pupils and the community. Reserves built through prudent financial management have enabled the Trust to provide this accommodation.

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The Academy made operating surpluses in the year to 31st August 2016 of £17,850 on unrestricted funds and £3,354 on restricted general funds. Fund balances held at 31st August 2016 were £205,628, comprising restricted reserves of £146,090 and unrestricted reserves of £59,538. The reserves will be utilised in 2016-17 for building work.

Total income in the period was £1,200,882 of which £953,830 came from the EFA revenue grants and £87,732 from other government grants. As the majority of the grant income is generated by pupil numbers it is imperative to ensure that pupil numbers remain high, vacancies are filled and as the school is oversubscribed Trustees are able to consider a longer term strategy. In 2016, there were 6 successful appeals for September 2016.

An external Risk Management review (January 2016) of all management and operational systems and procedures, both financial and non-financial indicated minimal risks to the Trust.

The Trustees of the Academy Trust have reviewed and adopted the following policies relating to Finance and Governance during 2015-16:

- Scheme of Delegation
- Academy Finance Handbook
- Anti-Bribery Policy
- Investment Policy
- Lettings Policy
- Charging Policy
- Freedom of Information
- Gifts and Hospitality
- Hospitality and Venue
- Overseas Gifts and Hospitality

Reserves policy

The Trustees are responsible for determining the level of financial reserves to be carried forward at the end of any financial period. The Trustees have delegated the monitoring of potential period end reserves to the Finance, Audit and Resource Management Committee as part of their terms of reference.

The Trustees will ensure that the levels of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the EFA on the treatment of General Annual Grant [GAG] income and other grants.

The Trustees will always try to match income with expenditure in the current period and will only carry forward reserves that it considers are necessary for future period's expenditure. The Trustees will consider the School Improvement Plan for capital developments required. The Trustees may accumulate reserve funds raised from private sources to defray for the benefit of the Academy in future years. This is discussed annually.

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Academy are aiming to build up a reserve of about £50k over a 5 year period. This is approximately 1 month staffing salary costs. We have a policy of replacing and improving the building for the benefit of the pupils currently within the Academy and consider this to be a reasonable amount.

During 2015-16 reserves have been used to begin building work which will be completed October 2016 in line with the planned expenditure for reserves.

There are no funds in deficit other than the LGPS reserve.

The amount of reserves shown is above the target of 50k in 5 years. This has been realised through prudent financial planning and is currently £205,628. This was to ensure that planned building work could be realised to provide additional facilities for the school in relation to widening the curriculum [PE, personal development including wellbeing, cookery and music] and intervention/small group facilities. This also enables us to provide wraparound care facilities for more children to support working parents.

The amount of total funds at 31 August 2016 are £97,317

The amount of restricted funds at 31 August 2016 are £37,779

The amount of unrestricted funds at 31 August 2016 are £59,538

The trust have reviewed the balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016.

This represents a net surplus of $£146,090 + £59,538 = £205,628$

The reserves policy will be reviewed annually.

Investment policy and powers

There have been no investments during 2015-16. Any investments to be made will be invested according to the investment policy.

The Trust has an approved Investment Policy and if the Trust is able to generate better returns than currently provided in the deposit account, it may undertake other investments. All investments, outside of the deposit account, will be made on a risk-averse basis, taking ethical considerations into account and need Trustee approval.

The aim of this policy is to ensure that funds which the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the school's income but without risk.

Our aim is to spend the publicly funded monies with which we are entrusted for the direct educational benefit of students as soon as is prudent. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow.

The Trust will construct such budgets and cash flow forecasts as are required by legislation to ensure the viability and sustainability of the activities of the Trust. From time to time, operational and strategic decisions related to the education of pupils at Benedict Biscop Church of England Academy will result in substantial cash balances at the bank over a sustained period. These periods are identified by the Academy Business Manager as part of the normal forecasting activity and, when identified, will result in the Trust making an investment in accordance with any guidance provided in the Trust's Financial Handbook.

Prior to investing funds the Principal and Finance, Audit and Resource Management Committee must be satisfied that the cash flow predictions provided by the Academy Business Manager are accurate and that the amount/time period of the investment will not compromise the viability and sustainability of the activities of the school.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the "risk that the return on investments is not being maximised" and the "risk that Trustees are not acting in accordance with the Investment Policy (e.g. investing in high risk investments which are not in the best interests of the Trust)".

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Principal risks and uncertainties

The Trust maintains a risk management plan which is reviewed by the Finance, Audit and Resource Management Committee to ensure satisfactory arrangements are in place to manage the risk.

In February 2015 the Academy adopted the Risk Protection Arrangements provided by the EFA.

There is an annual internal review of all risk management issues led by various staff e.g. Site Development Officer, Academy Business Manager and teaching staff. However, there is ongoing review in response to situations or new legislation or information.

An external Risk Management review (January 2016) of all management and operational systems and procedures, both financial and non-financial indicated minimal risks to the Trust.

During 2015-16, an internal Health and Safety audit indicated minimum risks and best practice, as did an external Asbestos Management review.

The Trust considers all risks and the Trustees have implemented a number of systems to assess risks that may impact the Trust, especially in operational areas, e.g. in relation to teaching, management of IT security, safeguarding, health and safety, educational school visits, and in relation to the control of finance. They have introduced systems, including operational procedures [e.g. minibus procedure, external access to all classrooms, procedures to minimise risks to staff and pupils] and internal financial controls. The Trustees are satisfied that systems are in place to mitigate exposure to major risks.

The Trust has worked closely with Evolution Accountants to ensure financial systems are secure. In order to maintain the professional status of the Academy Business Manager role during a maternity absence, a promoted appointment has been successful and there has been minimal risk to the business during this period. As a result all practices and procedures have been reviewed to secure further efficiency and where there have been concerns immediate remedial action has been taken.

During 2015-16, succession planning at leadership level has been further secured-2 middle leaders have achieved NPQML, 1 senior leader has commenced NPQSL and the Vice Principal has commenced NPQH, which is ensuring outcomes for pupils remain outstanding and the school's capacity to support improvement in other schools remains high. During this accounting period a member of staff has been appointed to the leadership team to commence September 2016 and during the summer term was seconded to the Prince Bishop Teaching School Alliance (of which we are the lead primary school) to develop Initial Teacher Training, to ensure the opportunity for recruitment of high quality teachers is significant.

The Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

Plans for future periods

With the formation of a Multi Academy Trust, priority during 2016-18 will be strategic business planning, growth, delivering strong leadership and governance.

The School Improvement Plan clearly states objectives to maintain the highest standards of achievement of all pupils whilst ensuring the school moves forward within a rapidly changing world:

Priority 1 OUTCOMES/ STANDARDS –

- Maintain high standards across school in Reading, Writing and Mathematics, embedding new curriculum and new assessments.
- Raise standards of attainment and continue to accelerate progress in Mathematics, improve standards of spelling across school to secure greater % pupils making accelerated progress, deepening understanding through a mastery approach.

Priority 2 TEACHING and LEARNING –

- Sustain the high quality of teaching in all year groups, with particular focus in EYFS [attainment] and KS2 [progress] on teaching of mathematics and spelling.
- Ensure all learners apply their learning across the curriculum, deepening understanding through a mastery approach.

Priority 3 ASSESSMENT and CURRICULUM -

- Embed new assessments across school in all curriculum areas, to ensure pupils continue to attain highly and secure at least good outcomes.
- Embed new curriculum, deepening understanding through a mastery approach ensuring this is the driver for the assessment.

Priority 4 CURRICULUM -

- Introduce new personal development curriculum which enhances development of mental well being and whole person.
- Link curriculum with RE and development of SMSC.

Priority 5 LEADERSHIP –

- Achieve OUTSTANDING SIAMS outcome.
- Improve quality of writing in RE.
- Develop MAT structures, roles and responsibilities with a clear focus on support for other schools.
- Secure leadership at every level. [see 5 year MAT Board strategic plan and LAC/MAT Board Plan [2016-17]

This will be achieved through a programme of continuing professional development during 2016-17. All performance management targets are linked to the achievement of the above. Sustain outstanding teaching, learning and assessment through monitoring, coaching and mentoring.

Funds held as custodian trustee on behalf of others

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity organisation.

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

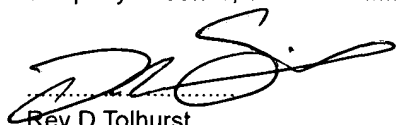
Auditor

In so far as the Trustees are aware:

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

The Auditors were appointed (July 2014) following a tender process. Baldwin Audit Services Limited were awarded a 3 year contract.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6.12.16 and signed on its behalf by:



Rev D Tolhurst
Chair

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the , as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Northern Lights Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
M Stouph (Vice Chair)	8	8
P Thompson (Accounting officer)	8	8
Rev D Tolhurst (Chair)	8	8
J Murray	7	8
S Holden (Resigned 31 January 2016)	3	3
J Logan (Resigned 4 July 2016)	7	7
A Atkinson (Resigned 17 March 2016)	3	4
J Farnsworth (Resigned 3 December 2015)	2	2
Rev S Thorp (Resigned 4 July 2016)	4	7
Councillor C Marshall (Resigned 4 July 2016)	6	7
E Whelam-Tate (Staff trustee) (Resigned 4 July 2016)	7	7
L Norton (Staff trustee) (Resigned 4 July 2016)	7	7
J Little (Resigned 31 January 2016)	2	3
C Mitchell (Resigned 21 March 2016)	2	5
H Anderson (Resigned 4 July 2016)	7	7
P Procter (Appointed 4 July 2016)	0	0

Several vacancies have arisen during 2015-16 following resignations (3) and end of term of office (2). Given the process of conversion to a Multi Academy Trust was ongoing and postponed several times due to legal queries, and the publication of the White Paper "Educational Excellence Everywhere" March 2016, a decision was taken not to appoint any further trustees given the change to the governance structure which was pending.

The conversion was completed 4 July 2016.

Rigorous evaluation undertaken during the year, through the process of conversion, has resulted in the board of trustees evaluating their own performance and impact across school, as identified by the Governor Mark scheme. This was externally awarded July 2016.

A 5 year strategic plan for the Northern Lights Learning Trust is in place to commence 2016-17. A governance action plan has determined future plans and areas for development to maintain outstanding leadership, and healthy growth of the Trust.

An external review of governance as defined by the National College for Teaching and Leadership is planned by the end of 2018. One of the trustees is designated as a National Leader of Governance (NLG).

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Finance, Personnel and Resource Management committee/Finance, Audit and Resource Management committee is a sub-committee of the main board of trustees. Its purpose is to ensure efficient and effective use of resources whilst seeking ways to ensure outstanding sustainable provision.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
M Stouph (Vice Chair)	6	6
P Thompson (Accounting officer)	6	6
Rev D Tolhurst (Chair)	6	6
J Murray	6	6
S Holden (Resigned 31 January 2016)	2	2
J Farnsworth (Resigned 3 December 2015)	1	2

The Finance, Personnel and Resource Management committee/Finance, Audit and Resource Management committee fulfils the function of an audit committee to review the risks to internal financial control, agree a programme of work that will address any such risks and ensure work is undertaken to inform the statement of internal control in order to provide assurance to the external auditors. Following internal assurance audits, the trustees reviewed a minority of low risk findings.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
M Stouph (Vice Chair)	4	4
P Thompson (Accounting officer)	4	4
Rev D Tolhurst (Chair)	4	4
J Murray	4	4
S Holden (Resigned 31 January 2016)	1	1
J Farnsworth (Resigned 3 December 2015)	1	1

Review of value for money

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

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

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

- Restructured modern foreign language support to ensure best value.
- Restructure staffing in office to ensure roles and responsibilities are clear with savings made on salaries following new roles and responsibilities due to maternity absence. In addition member of staff reduced hours temporarily for a trial period.
- School negotiated use of minibus to support pupils going on educational visits to reduce increasing costs of coaches.
- Savings to the academy from maternity absences, where one post was not replaced for part of the maternity absence and where a senior position was replaced by an internal member of staff taking on greater responsibility, resulted in savings on the budget during the year to be carried forward for necessary building work to upgrade provision for the school.
- Reviewed Teaching assistants roles and reduced position by 1 with no adverse impact on the Academy.
- Increased number of apprentices. This has supported lunchtime cover and After school provision.
- Recruited Sports coach for 1 hour per day savings on lunchtime supervisory costs, whilst developing healthy physical activity.
- 1 teaching position covered by senior staff following the resignation of member of staff, positively impacting on standards and savings to academy.
- Bid for funds through NCTL and our Teaching school to develop middle leaders and recently qualified teachers, impacting on the standards achieved by pupils and the curriculum for 2016-17.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Northern Lights Learning Trust, Benedict Biscop Church of England Academy for the period of 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Finance, Personnel and Resource Management committee/Finance, Audit and Resource Management committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However, the trustees have appointed Evolution, the external auditor to perform additional checks.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- following up points raised in Auditor's management letter.
- testing risks from previous reports
- testing of accounts and reconciliations systems
- testing of risk management processes
- testing of purchasing systems
- testing of payroll systems
- testing of corporate governance
- testing of income recording systems
- testing of control of the academy bank accounts
- testing of the management of data

On a termly basis the auditor reports to the board of trustees through the Finance, Personnel and Resource Management committee/Finance, Audit and Resource Management committee, on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.

The trustees confirm that the external auditor has delivered the schedule of work as planned and that there have been no material control issues arising as a result of any internal assurance work during the year.

Review of effectiveness

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

- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Personnel and Resource Management committee/Finance, Audit and Resource Management committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The board of trustees have conducted an analysis of overall effectiveness, identified within the Framework for Governor Mark 2015-2016. The board of trustees have evaluated their own effectiveness against the criteria referenced and an action plan is in place to ensure outstanding leadership is sustained, resulting in the Governor Mark award July 2016.

In order to ensure compliance, the trustees identified a need for trustee training for the board of trustees in the Prevent strategy in November 2016 by an external consultant, with a review of the academy's curriculum to ensure British Values are being taught explicitly and the Academy is compliant.

The board of trustees have ensured that during 2015-16 relevant professional training was undertaken in order to prepare them fully for conversion to a Multi Academy Trust.

Approved by order of the board of trustees on 6.12.16 and signed on its behalf by:



P Thompson
Accounting officer



Rev D Tolhurst
Chair

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Northern Lights Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

P. Thompson

P Thompson
Accounting Officer

6.12.16

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The trustees (who also act as governors for Northern Lights Learning Trust and are also the directors of Northern Lights Learning Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare accounts for each financial year. Under company law the Trustees 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 Trustees are required to:

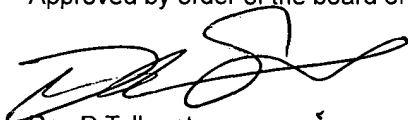
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 6.12.16 and signed on its behalf by:



Rev D Tolhurst
Chair

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF NORTHERN LIGHTS LEARNING TRUST

We have audited the accounts of Northern Lights Learning Trust for the year ended 31 August 2016 set out on pages 28 to 49. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 23, the Trustees, who are also the directors of Northern Lights Learning Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF
NORTHERN LIGHTS LEARNING TRUST (CONTINUED)**

Matters on which we are required to report by exception

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

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

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

**Chartered Accountants
Statutory Auditor**

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Dated:

NORTHERN LIGHTS LEARNING TRUST (FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTHERN LIGHTS LEARNING TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Northern Lights Learning Trust during the period 1 September 2015 to 31 August 2016 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 Northern Lights Learning Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Northern Lights Learning Trust and EFA 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 Northern Lights Learning Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Northern Lights Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Northern Lights Learning Trust's funding agreement with the Secretary of State for Education dated 23 January 2012 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO NORTHERN LIGHTS LEARNING TRUST AND THE EDUCATION
FUNDING AGENCY (CONTINUED)**

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 Assurance report
- 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 EFA 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Graham Fitzgerald BA FCA DChA
Reporting Accountant
Baldwins Audit Services Limited

Dated:

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	5,348	-	6,736	12,084	11,458
Charitable activities:						
- Funding for educational operations	3	34,722	1,106,004	-	1,140,726	1,151,780
Other trading activities	4	47,728	-	-	47,728	40,159
Investments	5	344	-	-	344	262
Total income and endowments		88,142	1,106,004	6,736	1,200,882	1,203,659
Expenditure on:						
Raising funds	6	42,505	-	-	42,505	54,765
Charitable activities:						
- Educational operations	7	27,787	1,102,650	57,442	1,187,879	1,135,558
Total expenditure	6	70,292	1,102,650	57,442	1,230,384	1,190,323
Net income/(expenditure)		17,850	3,354	(50,706)	(29,502)	13,336
Transfers between funds		(23,021)	(35,399)	58,420	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(273,000)	-	(273,000)	13,000
Net movement in funds		(5,171)	(305,045)	7,714	(302,502)	26,336
Reconciliation of funds						
Total funds brought forward		64,709	61,135	273,975	399,819	373,483
Total funds carried forward		59,538	(243,910)	281,689	97,317	399,819

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

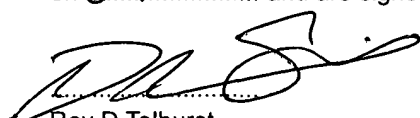
Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2015		Funds	General	Fixed asset	2015
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	2	4,744	-	6,714	11,458
Charitable activities:					
- Funding for educational operations	3	36,052	1,115,728	-	1,151,780
Other trading activities	4	40,159	-	-	40,159
Investments	5	262	-	-	262
Total income and endowments		81,217	1,115,728	6,714	1,203,659
Expenditure on:					
Raising funds	6	54,765	-	-	54,765
Charitable activities:					
- Educational operations	7	14,216	1,051,562	69,780	1,135,558
Total expenditure	6	68,981	1,051,562	69,780	1,190,323
Net income/(expenditure)		12,236	64,166	(63,066)	13,336
Transfers between funds		-	(27,446)	27,446	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	13,000	-	13,000
Net movement in funds		12,236	49,720	(35,620)	26,336
Reconciliation of funds					
Total funds brought forward		52,473	11,415	309,595	373,483
Total funds carried forward		64,709	61,135	273,975	399,819

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
BALANCE SHEET**

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		281,689		273,975
Current assets					
Debtors	12	60,455		72,153	
Cash at bank and in hand		315,196		215,381	
		<u>375,651</u>		<u>287,534</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(170,023)		(58,690)	
Net current assets			<u>205,628</u>		<u>228,844</u>
Net assets excluding pension liability			<u>487,317</u>		<u>502,819</u>
Defined benefit pension liability	17		(390,000)		(103,000)
Net assets			<u><u>97,317</u></u>		<u><u>399,819</u></u>
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			281,689		273,975
- Restricted income funds			146,090		164,135
- Pension reserve			(390,000)		(103,000)
Total restricted funds			<u>37,779</u>		<u>335,110</u>
Unrestricted income funds	15		<u>59,538</u>		<u>64,709</u>
Total funds			<u><u>97,317</u></u>		<u><u>399,819</u></u>

The accounts set out on pages 28 to 49 were approved by the board of trustees and authorised for issue on 6.12.16 and are signed on its behalf by:


Rev D Tolhurst
Chair

Company Number 07909140

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		157,891		4,599
Cash flows from investing activities					
Dividends, interest and rents from investments		344		262	
Capital grants from DfE and EFA		6,736		6,714	
Payments to acquire tangible fixed assets		(65,156)		(34,160)	
			(58,076)		(27,184)
Change in cash and cash equivalents in the reporting period			99,815		(22,585)
Cash and cash equivalents at 1 September 2015			215,381		237,966
Cash and cash equivalents at 31 August 2016			315,196		215,381

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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 academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

These accounts for the year ended 31 August 2016 are the first accounts of Northern Lights Learning Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

1.2 Going concern

The Trustees 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 Trustees 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

The increase in the reported share of the LGPS deficit in the year has had a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

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

Grants receivable

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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust 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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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 academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Land and buildings	2.5% straight line
Computer equipment	33% straight line
Fixtures, fittings and equipment	12.5% - 20% straight line

The academy trust company occupies land (including buildings) which are owned by the Durham Diocesan Board of Finance (the DDBF) as Site Trustees. The DDBF also sit as a Member on the academy trust company. The academy trust company occupies the land (and buildings) under a mere licence called a church supplemental agreement. The parties to this agreement are the Secretary of State for Education, the DDBF, the academy trust and the Durham Diocesan Board of Education (the DDBE). The DDBE is a party as it is the 'appropriate Diocesan Authority (for the purposes of the Education Acts) for the academy trust, as it was previously when the academy trust was a maintained voluntary aided school. This continuing permission of the DDBF to occupy the land is pursuant to, and subject to, the DDBE's charitable objects, and is part of the Church of England's contribution to provide State funded education in partnership with the State. The church supplemental agreement delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company. Additions to land and buildings funded by the academy trust have been capitalised at cost.

Because the use of the land is made available to the academy trust under a Supplemental Agreement, the academy has been donated the right to use the buildings and under accounting standards a donation and expense representing the use of the facilities should be reflected in the financial statements. The trustees are of the opinion that obtaining a reliable estimate of this value would be onerous and the expense of obtaining such a valuation would outweigh any benefits derived. Therefore no such adjustment has been reflected in these financial statements.

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.

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Accounting policies

(Continued)

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.10 Fund accounting

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

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

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency, Department for Education and Local Authority.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	6,736	6,736	6,714
Other donations	5,348	-	5,348	4,744
	<u>5,348</u>	<u>6,736</u>	<u>12,084</u>	<u>11,458</u>

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	864,163	864,163	869,090
Other DfE / EFA grants	-	89,667	89,667	96,625
	-	953,830	953,830	965,715
Other government grants				
Local authority grants	-	87,732	87,732	90,509
Other funds				
Catering income	27,787	-	27,787	21,836
Other incoming resources	6,935	64,442	71,377	73,720
	34,722	64,442	99,164	95,556
Total funding	34,722	1,106,004	1,140,726	1,151,780

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Catering income	475	-	475	599
Music tuition	8,856	-	8,856	9,584
Educational trips	11,810	-	11,810	11,056
Other income	26,587	-	26,587	18,920
	47,728	-	47,728	40,159

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	344	-	344	262

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	666,738	-	107,162	773,900	749,739
- Allocated support costs	126,033	95,644	192,302	413,979	385,819
	<u>792,771</u>	<u>95,644</u>	<u>299,464</u>	<u>1,187,879</u>	<u>1,135,558</u>
Other expenditure					
Raising funds	<u>24,855</u>	<u>-</u>	<u>17,650</u>	<u>42,505</u>	<u>54,765</u>
Total expenditure	<u>817,626</u>	<u>95,644</u>	<u>317,114</u>	<u>1,230,384</u>	<u>1,190,323</u>

Net income/(expenditure) for the year includes:	2016	2015
	£	£
Fees payable to auditor for:		
- Audit	5,000	5,000
- Other services	4,750	4,200
Operating lease rentals	8,719	5,965
Depreciation of tangible fixed assets	<u>57,442</u>	<u>69,780</u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	-	773,900	773,900	749,739
Support costs - educational operations	<u>27,787</u>	<u>386,192</u>	<u>413,979</u>	<u>385,819</u>
	<u>27,787</u>	<u>1,160,092</u>	<u>1,187,879</u>	<u>1,135,558</u>

	2016	2015
	£	£
Analysis of support costs		
Support staff costs	126,033	133,879
Depreciation and amortisation	57,442	69,780
Premises costs	78,468	88,143
Other support costs	114,550	73,518
Governance costs	<u>37,486</u>	<u>20,499</u>
	<u>413,979</u>	<u>385,819</u>

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

	2016	2015
	£	£
Wages and salaries	629,067	612,574
Social security costs	46,359	39,925
Operating costs of defined benefit pension schemes	105,403	99,072
	<u>780,829</u>	<u>751,571</u>
Staff costs	780,829	751,571
Supply staff costs	22,580	29,043
Staff restructuring costs	874	-
Staff development and other staff costs	13,343	19,616
	<u>817,626</u>	<u>800,230</u>
Total staff expenditure	<u>817,626</u>	<u>800,230</u>

Staff numbers

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

	2016	2015
	Number	Number
Teachers and teaching assistants	19	21
Administration and support	6	8
Management	3	3
	<u>28</u>	<u>32</u>

Higher paid staff

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

	2016	2015
	Number	Number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £874 (2015: £nil). Individually, the payments were: £874.

Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £225,542 (2015: £215,380).

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

9 Trustees' remuneration and expenses

The headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as Trustees. No trustees received any expenses payments during the year (2015: £-).

The value of Trustees' remuneration was as follows:

P Thompson (principal)	
Remuneration	£80,001 - £85,000 (2015: £75,001 - £80,000)
Employer's pension contributions	£10,001 - £15,000 (2015: £10,001 - £15,000)
L Norton (staff)	
Remuneration	£20,000 - £25,000 (2015: £20,000 - £25,000)
Employer's pension contributions	£1 - £5,000 (2015: £1 - £5,000)
E Whelam-Tate (staff)	
Remuneration	£30,001 - £35,000 (2015: £25,001 - £30,000)
Employer's pension contributions	£5,001 - £10,000 (2015: £1 - £5,000)

Other related party transactions involving the Trustees are set out within the related parties note.

10 Trustees and officers insurance

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

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2015	92,673	112,082	325,609	530,364
Additions	55,032	2,964	7,160	65,156
At 31 August 2016	147,705	115,046	332,769	595,520
Depreciation				
At 1 September 2015	3,980	99,163	153,246	256,389
Charge for the year	2,317	9,074	46,051	57,442
At 31 August 2016	6,297	108,237	199,297	313,831
Net book value				
At 31 August 2016	141,408	6,809	133,472	281,689
At 31 August 2015	88,693	12,919	172,363	273,975

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

12 Debtors	2016	2015
	£	£
Trade debtors	3,475	-
VAT recoverable	16,777	27,264
Prepayments and accrued income	40,203	44,889
	<u>60,455</u>	<u>72,153</u>
	<u><u>60,455</u></u>	<u><u>72,153</u></u>
13 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	23,627	23,873
Other taxation and social security	14,909	-
Other creditors	58,321	143
Accruals and deferred income	73,166	34,674
	<u>170,023</u>	<u>58,690</u>
	<u><u>170,023</u></u>	<u><u>58,690</u></u>
14 Deferred income	2016	2015
	£	£
Deferred income is included within:		
Creditors due within one year	<u>23,139</u>	<u>25,072</u>
	<u><u>23,139</u></u>	<u><u>25,072</u></u>
Deferred income at 1 September 2015	25,072	29,763
Released from previous years	(25,072)	(29,763)
Amounts deferred in the year	<u>23,139</u>	<u>25,072</u>
	<u><u>23,139</u></u>	<u><u>25,072</u></u>
Deferred income at 31 August 2016	<u><u>23,139</u></u>	<u><u>25,072</u></u>

At the year end the academy was holding rates funding, Universal Infant Free School Meals Grant relating to the next academic year.

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant	157,362	864,163	(865,311)	(10,124)	146,090
Other DfE / EFA grants	-	89,667	(89,667)	-	-
Other government grants	1,535	87,732	(89,267)	-	-
Other restricted funds	5,238	64,442	(44,405)	(25,275)	-
	<u>164,135</u>	<u>1,106,004</u>	<u>(1,088,650)</u>	<u>(35,399)</u>	<u>146,090</u>
Funds excluding pensions	(103,000)	-	(14,000)	(273,000)	(390,000)
	<u>61,135</u>	<u>1,106,004</u>	<u>(1,102,650)</u>	<u>(308,399)</u>	<u>(243,910)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	28,977	6,736	(6,196)	-	29,517
Inherited funds	117,006	-	(38,440)	-	78,566
Capital expenditure from GAG and other funds	127,992	-	(12,806)	58,420	173,606
	<u>273,975</u>	<u>6,736</u>	<u>(57,442)</u>	<u>58,420</u>	<u>281,689</u>
Total restricted funds	<u>335,110</u>	<u>1,112,740</u>	<u>(1,160,092)</u>	<u>(249,979)</u>	<u>37,779</u>
Unrestricted funds					
General funds	64,709	88,142	(70,292)	(23,021)	59,538
Total funds	<u>399,819</u>	<u>1,228,669</u>	<u>(1,230,384)</u>	<u>(273,000)</u>	<u>125,104</u>

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

15 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 academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE grants includes universal infant free school meals funding, PE and Sports Grant, Pupil Premium and GTP funding.

Other government grants includes SEN funding and Early Years Grants from the Local Authority.

Other restricted funds include Educare, Breakfast and After School Clubs and Schoolz Out 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.

DfE/EFA capital grants represent Devolved Formula Capital receivable during the period which has been utilised on building developments.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has also been funded by GAG, other restricted funds and unrestricted funds. Transfers between these funds are reflected in the gains, losses and transfers column.

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

The academy's unrestricted and general restricted funds, excluding pension fund, were £205,628 as at 31 August 2016.

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	281,689	281,689
Current assets	59,538	280,559	35,554	375,651
Creditors falling due within one year	-	(134,469)	(35,554)	(170,023)
Defined benefit pension liability	-	(390,000)	-	(390,000)
	<u>59,538</u>	<u>(243,910)</u>	<u>281,689</u>	<u>97,317</u>

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016**

17 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Tyne and Wear Pension Fund. 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 2012 and that of the LGPS related to the period ended 31 March 2013.

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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £72,898 (2015: £60,827).

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

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit 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 14.1 per cent for employers and 5.5 to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £23,000 (2015: £26,000).

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.

Total contributions made	2016 £	2015 £
Employer's contributions	22,000	25,000
Employees' contributions	10,000	12,000
	<u> </u>	<u> </u>
Total contributions	32,000	37,000
	<u> </u>	<u> </u>
 Principal actuarial assumptions	 2016 %	 2015 %
Rate of increases in salaries	3.4	3.6
Rate of increase for pensions in payment	1.9	2.1
Discount rate	2.0	3.8
Inflation assumption (CPI)	1.9	2.1
	<u> </u>	<u> </u>

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

	2016 Years	2015 Years
Retiring today		
- Males	23.2	23.1
- Females	24.8	24.7
Retiring in 20 years		
- Males	25.3	25.1
- Females	27.1	27.0
	<u> </u>	<u> </u>

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2016 Fair value £	2015 Fair value £
Equities	385,203	305,844
Government bonds	22,078	16,632
Corporate bonds	66,815	53,592
Cash	17,430	14,784
Property	58,100	42,966
Other assets	31,374	28,182
Total market value of assets	581,000	462,000
 Actual return on scheme assets - gain/(loss)	 88,000	 14,000
 Amounts recognised in the statement of financial activities	 2016 £	 2015 £
Current service cost (net of employee contributions)	32,000	37,000
Net interest cost	4,000	3,000
 Changes in the present value of defined benefit obligations	 2016 £	 2015 £
Obligations at 1 September 2015	565,000	513,000
Current service cost	32,000	37,000
Interest cost	22,000	19,000
Employee contributions	10,000	12,000
Actuarial gain	343,000	(15,000)
Benefits paid	(1,000)	(1,000)
At 31 August 2016	971,000	565,000

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets	2016	2015
	£	£
Assets at 1 September 2015	462,000	412,000
Interest income	18,000	16,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial loss	70,000	(2,000)
Employer contributions	22,000	25,000
Employee contributions	10,000	12,000
Benefits paid	(1,000)	(1,000)
At 31 August 2016	<u>581,000</u>	<u>462,000</u>

18 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2016	2015
	£	£
Net income/(expenditure) for the reporting period	(29,502)	13,336
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(6,736)	(6,714)
Investment income	(344)	(262)
Defined benefit pension costs less contributions payable	10,000	12,000
Defined benefit pension net finance cost/(income)	4,000	3,000
Depreciation of tangible fixed assets	57,442	69,780
(Increase)/decrease in debtors	11,698	(30,637)
Increase/(decrease) in creditors	111,333	(55,904)
Net cash provided by operating activities	<u>157,891</u>	<u>4,599</u>

19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016	2015
	£	£
Amounts due within one year	3,946	5,455
Amounts due in two and five years	21,999	4,095
	<u>25,945</u>	<u>9,550</u>

**NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2016

20 Capital commitments

	2016 £	2015 £
Expenditure contracted for but not provided in the accounts	124,682	-

21 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

The academy trust company occupies land (including buildings) which are owned by the Durham Diocesan Board of Finance (the DDBF) as Site Trustees. The DDBF also sit as a Member on the academy trust company. The academy trust company occupies the land (and buildings) under a mere licence called a church supplemental agreement. The parties to this agreement are the Secretary of State for Education, the DDBF, the academy trust and the Durham Diocesan Board of Education (the DDBE). The DDBE is a party as it is the 'appropriate Diocesan Authority' (for the purposes of the Education Acts) for the academy trust, as it was previously when the academy trust was a maintained voluntary aided school. This continuing permission of the DDBF to occupy the land is pursuant to, and subject to, the DDBE's charitable objects, and is part of the Church of England's contribution to provide State funded education in partnership with the State. The church supplemental agreement delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

22 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 three years 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.

NORTHERN LIGHTS LEARNING TRUST
(FORMERLY BENEDICT BISCOP CHURCH OF ENGLAND ACADEMY)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

23 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

Reconciliation of funds for the previous financial period

		1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP		373,483	399,819
Change in recognition of LGPS interest cost	1	-	-
Funds reported under FRS 102		<u>373,483</u>	<u>399,819</u>

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income previously reported under UK GAAP		26,336
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(13,000)
Net income reported under FRS 102		<u>13,336</u>

Notes to reconciliations on adoption of FRS 102

1 - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £13,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

No other material adjustments were identified.