

Company Registration No. 09630999 (England and Wales)

TEES VALLEY EDUCATION
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021

TEES VALLEY EDUCATION

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TEES VALLEY EDUCATION

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R Hodges
N Newell
A Smith
C Devereux (appointed March 2021)

Trustees

J A Brine (Chairman)
K E Morley (CEO, Accounting Officer and staff trustee)
H D Dudiak
R J Hodges
P R D Scott (Resigned 4 November 2020)
P J Swalwell
A T Taylor
D C Jackson (Appointed 30 September 2020)
C Jones (Appointed 14 September 2020)
C J Weldon (Resigned 15 October 2021)
C P Zarraga

Senior management team

- CEO and Executive Head Teacher	K Morley
- Director of Finance, Resources and Operations	E Chawner
- Director of Inclusion and SEND Resources	E Lowe
- Director of Standards and Improvement	H Hall
- Executive Head Teacher (Wilton and Dormanstown Primary)	A Hill
- Head Teacher (Discovery Special Academy)	J Duncan
- Head Teacher (Brambles Primary)	K Gleave
- Acting Head of Academy (Pennyman Primary) (May 2020 - December 2020)	D Fawcett
- Head of Academy (Pennyman Primary) (appointed January 2021)	L Stogdale

Company secretary

E Chawner

Company registration number

09630999 (England and Wales)

Registered office

Fulbeck Road
Netherfields
Middlesbrough
TS3 0QS
United Kingdom

Academies operated

Brambles Primary Academy
Discovery Special Academy
Dormanstown Primary Academy
Pennyman Primary Academy
Wilton Primary Academy

Location

Middlesbrough
Middlesbrough
Redcar
Middlesbrough
Middlesbrough

Principal

K Gleave
J Duncan
A Hill
K Morley
A Hill

TEES VALLEY EDUCATION

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	Azets Audit Services Wynyard Park House Wynyard Avenue Wynyard Billingham TS22 5TB United Kingdom
Bankers	Lloyds Bank plc 5th Floor 102 Grey Street Newcastle Upon Tyne Tyne And Wear NE1 6AG United Kingdom
Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle Upon Tyne Tyne And Wear NE1 4BF United Kingdom

TEES VALLEY EDUCATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates five primary academies: Brambles, Discovery Special Academy, Dormanstown, Pennyman and Wilton (two of which have substantial sized designated additional resourced provision (ARP) for a range of significant and complex medical, learning, physical and communication needs) for pupils aged 3 to 11. All academies serve communities in the North East of England (Middlesbrough and Redcar and Cleveland). The Trust has a pupil capacity of 1158 (excluding nursery) and had a roll of 1029 between 01 September 2020 to 16 July 2021 (as an average of the year).

Structure, governance and management

Constitution

Tees Valley Education is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of Tees Valley Education are also the directors of the charitable company for the purposes of company law. The charitable company is known as Tees Valley Education.

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

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act 2006 and Article 6.3 every Trustee or other officer or auditor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability from negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust.

Method of recruitment and appointment or election of trustees

The members entitled to appoint the Trustees are: Sister A Smith, R Hodges, C Devereux and N Newell. The strategic skill set of any potential new Trustee is determined in advance of advertising. The Trust utilise Academy Ambassadors, its own website, social media and professional platforms including word of mouth at regional meetings to advertise Trustee vacancies. Members undertake the appointment process and elect the most suitable candidate(s) to the Trust Board. Each appointment is for a period of up to four years. However, should a Trustee wish to remain, subject to them remaining eligible, any Trustee may be re-elected.

The establishment, terms of reference, constitution and membership of any committee of the Trustees is reviewed annually, as is the chair person. Trustees can re-nominate themselves but the current period of office for the Chair, is for one year.

Executive Headteachers and Headteachers appoint chairs of local academy committees (LAC) for each academy, which operate according to the Trust's scheme of delegation. During 2020 Discovery Special Academy's Chair has stood down after two years of service and the academy has appointed a new chair for 2021 academic year. Brambles and Pennyman Primary Academy LAC chairs have remained consistent during 20/21. A Trustee currently chairs Wilton Primary Academy, and a serving Member chairs Dormanstown Primary Academy.

The term of office for any local academy committee member will be up to two academic years, with the exception of the Executive Head Teacher, Head Teacher or Head of Academy. Any member can apply to be re-appointed or re-elected, subject to remaining eligibility criteria.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

Induction is undertaken as and when required and tailored specifically to the individual. An additional full day training session is held with all Trustees, Members and local academy committee chairs annually. Other training is conducted as necessary and planned dependent upon the Trustees role and legislative changes.

Organisational structure

The Trustees are responsible for setting general policy, making major decisions about the strategic direction of the Trust, capital expenditure, the appointment of the Chief Executive to the Trust, Executive Head Teachers and Head Teachers of academies.

There are different layers of leadership and management within Tees Valley Education with clear divisions of accountability and responsibility including Directors from 01 September 2021.

- Trust Board: The Trust Board retain ultimate accountability and responsibility for the operation of the Trust. Trust Board may delegate decision making to subcommittees in line with the Trust's scheme of delegation
- Chief Executive Officer: has delegated strategic and operational responsibility for the leadership and management of the Trust.
- Executive Head Teacher: is responsible for more than one academy and provides support and leadership to them as well as attending, the associated Local Authorities and other strategic boards on behalf of the Trust.
- Head Teacher: is the leader of a school, responsible for the education of all pupils, management of staff, and for school policy making
- Heads of Academy: are to provide operational leadership and management of an individual academy under the executive headteacher as part of a broader senior leadership team.

All Trustees and members are provided with copies of the strategic risk register, policies, procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role. As part of their responsibility to undertake due diligence, they are also, on occasion, part of operational processes and verbally report back to the Trust Board.

Arrangements for setting pay and remuneration of key management personnel

Tees Valley Education has a pay policy which details the arrangements for setting all employees' pay and remuneration. All Trust staff are on a recognised NJC support staff pay spine or standard teacher's pay and conditions (STPCD). This includes the Head Teachers who are paid in accordance with the group size of the school following national formulae. The Chief Executive Officer salary was set using extensive benchmarking data and in accordance with ESFA's guidance for academies on setting executives' pay.

Trade union facility time

Each academy within the Trust pays into a local agreement for trade union facility time despite the fact, that none of its current employees undertake this role personally. This is paid in agreement with the Local Authorities the academies are situated, namely Middlesbrough and Redcar & Cleveland.

Related parties and other connected charities and organisations

It is Trust policy to report all related parties for approval. There is associated delegated authority for all levels of senior leadership.

During 2020/21 there is one related party, which is beneath ESFA's threshold of £20,000 and has been a consistent contract pre-April 2021 when all related transactions are to be declared to ESFA.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The principle aim of Tees Valley Education is to provide an excellent education and pastoral service for all of its children, thus improving their life chances and future opportunities.

During 2020/21 the Trust approved its pledge of:

'Delivering inclusive educational excellence so that all Tees Valley Education children can achieve their dreams, hopes, aspirations and a great sense of self-worth. By doing this, our children will become outstanding citizens able to contribute to society with the skills, ability, confidence and a voice to shape a better future for all.'

Each academy provides an inclusive education for children regardless of gender, ability, ethnicity, race, religion or additional needs. Typically, cohorts are comprised of children drawn from the housing area in which the academy is situated. However, those children attending Discovery Special Academy and the designated additionally resourced provision, at Pennyman and Dormanstown, are from across the Local Authorities of Middlesbrough and Redcar and Cleveland.

The attributes and behaviours underpinning the culture at Tees Valley Education are encapsulated by the Tees Valley Education Diamond Standards. This acknowledges that we are all diamonds: none of us start off polished, but with the right environment, time, support and development we become brilliant.

The 4 C's which were invented by the children, staff and communities are:

- Commitment: To achieve, succeed and create the best life and future.
- Curiosity: Be inquisitive, be brave and learn.
- Courage: To face our challenges and the unknown.
- Care: For ourselves, each other and our communities.

'We are what we repeatedly do. Excellence, therefore, is not an act, but a habit.' Aristotle

TVEd's whole community have demonstrated the Diamond Standards and we are proud to announce that in 2020/21 the Trust remained committed to these and awarded a mixture of awards to children, staff, families and parents. As a result of COVID-19 the Trust was unable to host the traditional face to face celebration event at the end of year. However, this was adapted to an online celebration event and ensured that all of the overall winners received their engraved glass trophies for each of the 4C's. We also celebrated all of these achievements in the Trust's termly and end of year newsletters.

Tees Valley Education has ongoing strategic objectives of:

- Developing every academy to be an inclusive centre of excellence for teaching, learning, curriculum, pastoral and wellbeing (Inclusion Quality Mark status awarded to all academies by 2023)
- Rapidly improving the digital strategy across the Trust and the online / blended curriculum offer for all
- Attracting, retaining and actively developing staff from all areas of the Trust to build the capacity for excellence, innovation and optimisation across the Trust
- Contributing to a local core offer for children with a range of SEND as well as lobbying at a local, regional and national level for their recognition, voice and rights
- Champion inclusivity and develop professional and parental networks to support this and the delivery of the free school - Discovery Special Academy
- Multi-agency collaboration (LA, MAT & Health) to strengthen the SEND CPD teaching, learning and mentoring offer across the region
- Expansion of SEND cohorts e.g. 18 EYFS specialist assessment Nursery places (September 2021) and early scoping exercise for potential creation of KS3 & KS4 SEND provision (September 2022 / 2023)
- Pioneering Trauma Informed Schools pilot; a joint collaboration with Teesside University which will see each TVED academy have trained Trauma Informed Practitioners working with vulnerable children
- Ensuring excellent value for money for all children through mapping an intelligent model of ICFP for formal, semi-formal and informally taught children (mainstream, additionally resourced and special provision).

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trust are working in close partnership to develop the Trust's USP with Ambition Institute, Teesside University, SSAT, Spark Tees Valley and Apple to further develop the core offer to staff, the children and their community.

The academies within the Trust play a significant role within their community and work with community safety partnerships and other local groups. These partnerships raise awareness of keeping ourselves and each other safe, and to support the most vulnerable families with food, clothing, and access to basic life necessities. Working jointly as part of a wider community, has never been more important than during 2020/2021 due to COVID-19. This has been especially so in relation to basic but fundamental poverty proofing and welfare support. The Trust and its academies have worked with organisations such as Greggs Foundation, Teesside Philanthropic Society, Teesside Family Foundation, local Sainsbury's stores, Middlesbrough Football Club and the Ladies of Steel in Redcar and Cleveland to name a few to ensure access to food, fuel and basic requirements including housing could be supported.

Trustee's and Members receive updates as part of the Trusts governance arrangements throughout the year on the progress against its objectives. Trustees also continued to hold Covid task and finish group meetings throughout 2020/21 with three Trustees to review the national and local decisions that influenced or changed the local offer of the Trust as well as updating and reviewing the Trust's strategic risk register and business continuity planning.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the 2011 Charity Act to have due regard to guidance published by the commission regarding public benefit.

The Trustees and committee members of each academy recognise that equal opportunities should be an integral part of practice within the workplace. The Trust actively aims to ensure equal opportunities in all areas of its work, including creating a working environment and culture in which the contribution and needs of all are fully valued.

The Trust has furthered its public benefit through the following activities:

- COVID-19 has impacted all the families and its communities during 2020/21. As part of the Trust's civic duty, it has ensured its academies remained open to vulnerable children and children of key workers. Including home visits and welfare telephone calls made to all TVEd families.
- The Trust worked with a range of partners across the voluntary sector to provide food hampers, welfare packs, support towards family's gas and electric and housing issues. These partners included:
 - Ladies of Steel at Redcar
 - Greggs Foundation
 - Family Foundation
 - Teesside Philanthropic Society
 - Sainsburys (local stores)
 - Middlesbrough Football Club
 - Middlesbrough Borough Council
 - Redcar and Cleveland Borough Council
 - Mellors
- All Trust children received and had access to learning packs both online and physically. This includes Christmas and Easter holiday packs.
- Children and their parents had online access to their teacher, to mark school work, provide feedback and progress updates
- Online and digital access, which included Ipads, laptops and 4G wifi dongles through support provided by:
 - The Trust via its reserves
 - Department of Education (DfE)
 - Middlesbrough Borough Council
 - Redcar and Cleveland Borough Council and
 - Teesside Philanthropic Society
- Wellbeing offer that was bespoke for all children and staff across the Trust via online support and face to face where this could be accommodated with COVID restrictions
- Opening the academies during the summer to health services such as speech and language services for children in the community.
- Trust wide newsletters were produced to celebrate and communicate the fantastic work being undertaken by children in all the Trust's academies.
- Facilitated contact tracing with Public Health England and Local Authority Public Protection Teams (Middlesbrough and Redcar areas)

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Public benefit

- Facilitated primary testing to identify any asymptomatic children and/or adults to reduce the spread of COVID-19 and protect the whole school community as well as the wider community of Middlesbrough and Redcar areas.
- Facilitated time off for staff where required to access their vaccination, to ensure they received the protection from the COVID-19 virus.
- Ensured COVID-19 risk assessments and the staff handbook addendum, which went alongside the Trust's main policies were reviewed, updated regularly and communicated to all staff, to ensure they, children, families and visitors remained safe whilst on Trust premises.
- Ensured services and supplies continued throughout where COVID restrictions allowed by making payments on time and mitigating the risk of businesses going into liquidation (especially the small local businesses), that the Trust traded with.
- All the academies and in particular Discovery Special Academy continues to recruit trained and qualified staff from the local area as it increases its cohorts until September 2022, when the school will be at its net capacity.
- Through the partnership working between Natures World and Discovery Special academy on behalf of the Trust, they are working collaboratively on ongoing regeneration project which will include children from the Trust as part of its contribution towards becoming more environmentally responsible.
- Further, the Trust continues to work with Sophia Windfarm, Materials Processing Institute and PD Ports to educate and raise awareness of the plant and what changes can be made individually to environmentally improve the plant for all. Leading to the launch of a Business, Enterprise and collective curriculum offer in 2021/22.
- Strategically the Trust works closely with its professional community of SEND and the school improvement agenda, this includes contributing towards benchmarking data via the The School Data Company, STEM work, sharing expertise as well as providing school to school support locally, regionally and nationally.

Strategic report

Achievements and performance

Key Measures

(The figures for this report are correct as of October 2021. Date range of this report - 1st September 2020 – 16th July 2021)

Trust Overview

	Current Ofsted grading	IDACI (Oct 2021 update)		Mobility Since 1 st Sept 2020
		Bottom 10% deprived	IDACI Rank Bottom 10%/32844	
BPA	Outstanding - June 2019	97%	241	70 in / 17 out
PPA	Good - June 2017	79%	609	15 in / 0 out
DPA	Requires Improvement - Dec 2019	84%	1166	57 in / 20 out
WPA	Good - January 2013	5%	626	79 in / 15 out
DSA	N/A	55%	708	19 in / 4 out
TVED	N/A	80%	618	240 in / 56 out

Contextually, as a trust the level of deprivation witnessed across our communities has declined significantly and in addition to that there is a significant rise with around 20% more children living in the bottom 10% of deprivation nationally since the last calculation in 2019 of the indices of deprivation (IDACI). It would be fair to conclude that such a significant decline is a direct result of the pandemic and economic landscape so links directly with the increased level of support our communities are accessing through the trust offer.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Current Trust and Academy Statistics - Children

(as of 16.7.21)	Children on Roll	Nursery on Roll	Total
BPA	Rec-Y6 299	Nur 50	= 349
DSA	Rec-Y6 60	Nur 0	= 60
DPA	Rec-Y6 224	Nur 56	= 280
PPA	Rec-Y6 359	Nur 73	= 432
WPA	Rec-Y6 48	Nur 18	= 66
TVED	Rec-Y6 990	Nur 197	= 1187

Across the trust, this is an increase of 71 children since July 2020 where we had a total 1116.

SEND

	EHCPs	SEN Support	Total
BPA	1	63	64
DSA	60	0	60
DPA	28	34	62
PPA	43	62	105
WPA	2	10	12
TVED	134	169	303

Trust Academic Overview - Academic Year 2020/2021

During the academic year 2020/21 two full terms were face to face teaching for all pupils and the third spent in lockdown receiving a digital and paper based blended learning opportunity. It is important to note that the lockdown was the middle of three terms meaning that any learning momentum gained in autumn, was impacted upon, despite significant continued improvements to strengthen our blended learning offer and uptake. Throughout this period we have continued to offer, in line with government guidance, a full academic offer to all pupils. Additionally, we have remained open throughout for our key worker and vulnerable families, and provided additionality through tutoring, covid catchup, and through holiday clubs during the year.

Bubble closures, in line with public health and government guidance, provided further challenges to ensuring the momentum and a consistency of academic offer to all pupils as the level of engagement differed, despite significant support and challenge. Our special school and additional resource provision children, due to their specific health, emotional and learning needs, were significantly impacted upon regarding face to face teaching, despite the trust and countries best efforts.

Progress & Attainment Outcomes 2020/21 – Formally & Semi Formally Taught (Mainstream and Additionally Resourced Provision led curriculum)

Rationale for the rigour around the end of year data collection 2020-2021: -

Due to the ongoing effects of the Covid-19 pandemic, there was no formal national assessment expectations at primary level, for the second year running. End of year assessments at TVEd were, therefore, based upon teacher assessments, use of previous 2019 SATs tests at Year 2 and 6 (delivered under test conditions) which were then internally and externally moderated.

Moderation occurred at three levels. Two were internally to the trust, with academies utilising senior and middle leadership first, then a trust wide moderation which utilised stage and phase expertise from across the trust, with Directors and Heads of different academies. Finally, external moderators, expert to phase and from a range of LA's / MATs, to validate and sample assessments for accuracy with the Director of Standards and Improvement.

Additionally, a regional attainment benchmark in the absence of a national one was once again created by The School Data Company (*TSDC). This attainment comparison was calculated by taking data from approximately 150 schools (circa 3000 children in all stages).

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Progress comparisons for national standardised scores cannot be achieved, which stops analysis of the value-added comparisons. This is a significant hindrance to the demonstrable impact the academies and Trust makes to our children's lives. Other measures and Trust comparisons of progress typicality will be shared with Trustees at committee level, with comparisons to the same regional benchmarks, along with FFT end of Key Stage comparisons for those year groups where data exists.

Academic Progress - 2020/21 Mainstream/Formally Taught (Mainstream and Additionally Resourced Provision led curriculum)

2020/21 progress measures, based on internal data, demonstrates outstanding achievement from baseline assessments in September. The baseline assessments utilised the same assessment documents we used in Spring 2020 meaning that a direct comparison and baseline data could be scrutinised. Three points progress would demonstrate good progress in a year but, when scrutinised against our parameters, we are making well above 4 points in the vast majority of year groups.

Whilst this is strong we are ambitious for more, which includes greater consistency and a more targeted approach so that progress over time improves. This is backed up with disadvantage progress data both at local and regional level and nationally researched findings.

It would be fair to therefore summarise that the longer the pupils remain at TVED over their eight year primary education the greater the impact and the value we add. Given the disadvantage context within TVED and the low baselines our progress over time is strong, however this has been impacted upon in comparison to non covid years and shows the result of what has been lost on this vulnerable group. There has been significant impact to over 80% of the Trusts children who are severely disadvantaged, which national research bears reference to. It is vital that as a trust we place continued high priority on measuring and proving progress within year and throughout their eight year journey. Our children deserve it!

Academic Attainment – 2020/21 Mainstream Formally Taught

Trust Three Year Standards Data

Given the context around the last 12 months, whilst there has been a decline, attainment has not fallen as much as we feared, due to the relentless hard work of our children and staff. However, we are using this as a context to drive further improvement as we have demonstrated vast improvement when our children are face to face during this period.

Early Years

	2018	2019		2021		TSDC 2021*	National 2019
Good level of development (GLD)	57%	62%	Covid	48%		54%	72%

Despite good progress, the outcomes at the end of EYFS are still far below national, but have narrowed on comparison to entry baseline. The drop in standards noted this year is directly related to the lack of provision at school throughout lockdowns, and is exacerbated by the fact such little children cannot sit online all day. Moreover, areas like physical development cannot improve if the children cannot exercise and develop gross / fine motor skills. To summarise, this group of children have lost the biggest portion of their lifetime to the pandemic, in comparison to any other group. The trust has, therefore, put EYFS on the risk register and is investing in additional staff (within budget and funding streams) and the continued offer for blended learning for parents. This is in addition to more parental and family support.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

Phonics Year 1

	2018	2019	Covid	2021		TSDC 2021*	National 2019
Phonics Check	78%	85%		72%		68%	82%

Key Stage 1 – Year 2

'Expected'	2018	2019	Covid	2021		TSDC 2021*	National 2019
Reading	74%	67%		65%		64%	75%
Writing	69%	63%		60%		54%	69%
Maths	74%	70%		67%		64%	76%
'Greater Depth'	2018	2019	Covid	2021		TSDC 2021*	National 2019
Reading	16%	17%		12%		17%	25%
Writing	13%	10%		5%		8%	15%
Maths	19%	16%		10%		13%	22%

At the age related standard (ARE), whilst they are below the 2019 national benchmark, our attainment is in comparison above the regional (TSDC) comparators which reflects the positive impact of our work over the last year. The greater depth outcomes for all children are low across the Trust at the end of KS1 and reflect the trajectory reported throughout the year. As with the EYFS outcomes, this is an area that has been recognised nationally as having had a detrimental impact from the effects of lockdowns and Covid-19. This has to be improved, and face to face teaching, additionality of provision including ongoing online learning, as well as broad opportunities for visits, experiences, physical development and socialisation will impact productively, over time.

Key Stage 2 – Year 6

'Expected'	2018	2019	Covid	2021		TSDC 2021*	National 2019
GPS (Grammar, Spelling and punctuation)	75%	74%		69%		72%	78%
Reading	71%	72%		74%		74%	73%
Writing	89%	78%		74%		72%	78%
Maths	78%	77%		69%		70%	79%
Combined	66%	64%		64%		60%	65%
'Greater Depth'	2018	2019	Covid	2021		TSDC 2021*	National 2019
GPS	20%	22%		11%		21%	36%
Reading	17%	17%		22%		28%	27%
Writing	13%	16%		15%		16%	20%
Maths	15%	20%		18%		18%	27%
Combined	7%	5%		12%		9%	11%

Year 6 outcomes are a mixed picture with mathematics seeing the biggest drop at age related expectations (ARE), however as with KS1 our attainment is above the regional (TSDC*) comparators.

Of note, is the stubborn combined measure at ARE, which is comprised of children who achieve ARE in reading, writing and mathematics. This remains lower than the lowest percentage subject (maths). This means that there are a group of children who are failing to achieve ARE in one of the three subjects despite being capable in the other two. This is a leadership development point for all academies to improve this year and will be overseen by the Director of Standards and Improvement.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Academic Progress - 2020/21 Additional Resource Provision – Children with a Semi Formally Taught Curriculum (Additionally Resourced Provision led curriculum)

Rational

Data presented represents children who are accessing a semi-formal curriculum within three of our academies – Discovery Special Academy, Dormanstown Primary Academy & Pennyman Primary Academy additional resource provisions (ARP).

Assessments are based on teacher judgements and quality assured with both internal and external moderation. Internal moderations happen termly where the SEND team come together to agree judgements based on the children's evidence towards their PIVATS stage. External moderation happens yearly, supported by external colleagues, to validate and sample assessments for accuracy.

Percentages are based on achievements towards their PIVATS target, supported by a CASPA generated personalised target which is a national data set that takes into account their SEND needs.

Semi Formal

'On target & Above'	Spring 20		Autumn 20	Spring 21	2021
Reading	77%		76%	67%	83%
Writing	78%		69%	59%	82%
Number	82%		71%	64%	80%
Shape Space Measure	79%		73%	59%	84%
Using & Applying	83%		79%	61%	81%

Progress against their personal target is strong for our semi formal pupils with an average of 82% in the core subjects achieving on or above their personalised target. Given the additional challenges our most vulnerable pupils and families have managed over the last year, this demonstrates the excellent practice and support offered to our pupils.

Trust Development

TVED have continued to place great emphasis on continued trust and academy improvement over the past 24 months. Without the rigor, determination and resilience to keep this high on the agenda, alongside managing the operational impact of the pandemic, we could not of stabilised our outcomes in an unstable world. There have been many contributing factors and the cumulative effect has been extremely positive across the trust.

Trust Areas of Development for 2021/23

Following data analysis, alongside trustee training and mapping, and given the context of the last 24 months, the areas of development across the trust remain the same. Early years has been added as a direct result of outcomes seen post lockdowns. Detailed plans are held in trust and are monitored by the Director of Standards and Improvement.

Mainstream Formally Taught	Increase % of children achieving greater depth standard in the core subjects	Embedding reading development and ensure consistent trust offer,.. Further develop a consistent reading into writing approach.	Curriculum Development – Embedding Intent at academy level and reflecting the science of learning consistently. Expanding the trust curriculum to include an enterprise and business offer.	Early Years/ year one provision and practice to support the transition phase and accelerated progress. Develop and embed the new Early Years curriculum
Additional Resource Provision Semi Formal & Informally Taught	Maths, specifically using and applying, embedding and further developing across all academies	Greater sharing of outstanding practice through network meetings		

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trust Improvement Process

From September 2020 trust improvement has been strategically led by a Trust Improvement Lead. This has enabled a greater level of analysis and laser focus on academy improvement, support and challenge through the utilisation of a range of robust triangulation strategies. This level of intelligence is used effectively to drive change, pulling from a range of expertise across the trust (headteachers, deputy heads and assistant heads), in order that we continually drive for accelerated progress and quality assure our work.

Our trust annual improvement offer to all academies focuses on academy improvement, which will support trust improvement, intelligence and accountability, and is responsive enough should changes in circumstances arise.

To underpin this further all staff undertook professional development in the science of learning so they have a greater understanding of how best to support our children, backed up by up to date research. Additionally, our deputy heads completed professional development and personal research so they can be an effective teacher educator, supporting out teachers to be the best they can be. Both professional developments were led by colleagues from Ambition Institute and will continue over the coming year.

Transitional Period

Each academy has a robust recovery curriculum in place that continues to support our pupils and community. The development of this during the year has been responsive to each academy's needs, taking into account their context and strategic analysis. During the summer term each academy reviewed their staffing, alongside summer term data analysis, to plan for additionality to support accelerated progress and specific year groups identified for the coming year.

Our blended offer in each academy continues to support learning and is designed to be responsive to what happens locally, regionally and nationally. During the year there were varying levels of engagement, which was monitored and supported by leaders, to ensure that every chance for all children and their families could engage without barriers. Several of our academies continue to utilise this mechanism, alongside the development of our digital offer, to support homework and catch up for key year groups, we actively sharing this experience across the trust.

Every academy utilised the tutoring offer from the government in the summer term with mixed results and outcomes, but the overview was quite negative. As a result for 2021 onwards, we are now utilising the grant option to employ our own staff for catch up tutoring on a fixed term basis, something we all know and appreciate that our pupils respond much more positively to our own staff, with more positive outcomes.

SAFEGUARDING & WELFARE

Safeguarding Report

It is embedded practice in Tees Valley Education that all academies complete a rigorous safeguarding audit tool annually- one year internally to the Trust and the other, externally. These were last completed in the academic year 2019/2020 (summer 2020). For Wilton and Discovery these were completed by an external provider (Safeguarding First) and for their sister academies, were completed by the previous Trust Safeguarding Lead. In the academic year 2020/2021, due to the pandemic and subsequent lockdowns, individual academies completed their own internal audit due to COVID-19 restrictions and they were reviewed by the Trust safeguarding lead. All audits were successful, with a continued strong culture of safeguarding evident in each academy.

All academies were in line with statutory expectations and therefore deemed as effective under the Ofsted framework. The Trust views safeguarding and welfare as a significant priority and therefore all academies had identified areas for development in order to ensure a continued commitment to the highest level of excellence.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Actions from 2020/21 - Impact	Trust Strengths	Trust Recommendations For Improvement 2021/22
<ul style="list-style-type: none"> Prevent Risk Assessment in place in each academy, reviewed annually Governance training continues to be offered and a new experienced safeguarding Trustee appointed. Vulnerable families reporting arrangements updated internally, so it is more consistent and supports operational and strategic oversight and support. 	<ul style="list-style-type: none"> All academies are compliant for safeguarding Strong culture of safeguarding, ensuring they are the voice of the child. Safeguarding and welfare teams have an excellent knowledge of families and communities, supported by a wide range of external agency collaboration. Safeguarding and welfare teams continue to provide high levels of support during the transition phase. Termly headteachers report to Challenge Board includes significant strategic reporting of safeguarding and welfare data and impact Regular communication with Trustees so they are fully informed in their duties Regional support and challenge continue to be offered to Middlesbrough local authority, with two of our headteachers sitting on boards and offering a mainstream and special school perspective. All academies have a strong culture for progress in both academic and welfare outcomes 	<ul style="list-style-type: none"> Strengthen the audit tool used across the Trust bringing together the range of tools already utilized, and providing a quality assurance report, both at academy and Trust level Renewed and consistent format for the SCR across all academies in the Trust Terms of reference around case and clinical supervision to be established and implemented. To upskill staff in conjunction with Teesside University to develop experts in each academy in Trauma Informed Practice.

These strengths and areas of development are led operationally in academies and, will be discussed at half termly DSL meetings. In September 2020, the new Trust Safeguarding Lead was appointed and a Deputy Headteacher to provide support, with experience of safeguarding and welfare, together they have ensured clear communication, challenge and support with each academies safeguarding and welfare networks. The sharing of good practice is facilitated and encouraged as a strength of the group.

To ensure alignment of audit tools, the production of written feedback reports and in line with KCSIE 2021 updates, an external safeguarding partner has been procured during Summer term 2020 to support with the audits in the academic year 2021/2022. Using the Middlesbrough and Redcar and Cleveland section 175 audit tool, complimented by Safeguarding First proformas previously used, we have strengthened our TVED audit document that will be used by all DSLs with updated fields (mostly relating to child on child abuse), to evaluate practice, celebrate excellence, learn from each other at an academy level and for themes to be collated, and if required acted upon, at a Trust level.

At Tees Valley Education, this rigorous commitment to ensuring all statutory safeguarding requirements are in place to ensure that we are effective in our safeguarding duty is of upmost importance. Alongside this, there is a passion for ensuring excellence for our communities and therefore safeguarding and welfare is a strategic priority and is a unique selling point of the Trust offer. The Trust recommendations for improvement 2021-22 will ensure further assurances for the Trust.

Welfare Report

From September 2020, and in line with COVID-19 guidance, all the academies were required to work in bubbles, with children allocated to these during lesson time, outdoor play and lunchtimes. This arrangement continued throughout the academic year.

During the national lockdown from the beginning of January 2021 until the full return to school on March 8th, all academies stayed open to the children of key workers, children with EHCPs as well as those with a social worker and other vulnerable children working in their bubble groups.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Additionally, staff were deployed within the pastoral and welfare teams to undertake phone calls, door step welfare and vulnerable children visits to the family home, give out a range of learning resources as well as offering advice and guidance to support with the family and child welfare and pastoral needs. During this time, additional iPads and laptops were sourced and lent out to children in the academies to support their home learning.

Two academies stayed open for summer clubs for parts of the summer holiday period, to ensure that provision for some of the most disadvantaged children in the country, including those with complex and significant SEND could be supported.

During the academic year, academies provided the families with additional welfare support with regular breakfast packs either through the Greggs Foundation and the National Schools Breakfast Programme. Children who qualified were provided with food vouchers during the spring lockdown period as well as the Trust funding these over the year when bubbles were closed and during the October half term holiday.

Our academies have also benefited from kind donations of food hampers, vouchers and Christmas presents from a wide range of charities which our families were extremely grateful to receive. Alongside these, a Just Giving charity page raised enough money to purchase gloves for every child in the Trust so they could keep warm in the winter months.

Although the overall number of children with a social worker dropped during the academic year 2020-21, the number of children in each academy requiring either Early Help or academy specific support, where services were directed, increased. During lockdown all these families received at least a weekly telephone call from the pastoral teams, highlighting the priority and staffing commitment the Trust placed on supporting vulnerable families. There are a rising number of cases who the local authority are closing to services, as they don't meet their threshold, although the intelligence in the academies show they still require support and this falls to academy staff.

With less face to face contact with parents and carers, social media, as well as learning platforms such as Showbie or SeeSaw have been essential to engage with our community. We were able to share news items, important updates, celebrate children's achievements as well as provide links to assemblies or other videos for the children to watch in school or at home. We were even able to share a virtual Trust carol service for parents and our communities to enjoy.

With the effects of the pandemic, staying healthy has never been so important and some academies have invested in facilities to walk or run a mile as well as partake in virtual sports competitions between the academies or a range of other facilities to promote physical activity. These allowed children to have a sense of pride in their achievements whilst promoting a lifestyle choice. Alongside this, mental and emotional wellbeing has been particularly important during the last year, and we now have two HeadStart schools with plans for all the academies to join during the next academic year as well as many Emotional Literacy Support Assistants (ELSAs) across the Trust to support the offer we provide from our Trust counsellors. With so many links made with organisations in recent years, we were proud to promote the Pupil Therapy and Wellbeing offer, detailing the range of therapies offered to our children as well as the stakeholders we work with in order to achieve this. Therapies at TVED are an integral part of academy life and will continue to be a driver throughout this transitional phase.

The impact of COVID-19 on safeguarding and welfare has, for another year, been significant, with so many families requiring a range of academy and wider agency support. The impact of this, along with lost learning for all children, had an impact on standards, which has been supported, and will continue to be, through the Recovery Curriculum in the transitional phase.

Going concern

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

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

The principal sources of funding for the academies are the recurrent grants from the DfE (General Annual Grant), the use of which is restricted for particular purposes. In addition to this is the receipt of Pupil Premium and SEND top up fees for children with an EHCP entitlement, which are primarily within Specialist or additional resourced provision. During 2020/21 the Trust received capital contribution from DfE towards a new classroom and sensory room at Brambles Primary Academy. In addition Middlesbrough Council provided increased capital funding to improve digital access to the most vulnerable children which included upgrading Wi-Fi and purchasing iPads and laptops to aid children's learning

Three of the four academy buildings, are leased from local authorities for peppercorn rents over 125 years. Wilton Primary Academy is freehold. The buildings are recognised in the financial statements as tangible fixed assets in accordance with the Academies Accounts Direction 2020/2021.

During the year ending 31st August 2021, total expenditure of £7.4m was entirely covered by recurrent grant funding from the DfE together with other income sources. Excluding fixed assets and before actuarial losses there was an in- year surplus of £335,000.

At 31st August 2021, the net book value of tangible fixed assets was £14.4m. Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively to provide education and associated support services to the pupils of Tees Valley Education.

The Trusts reserves as at 31st August 2021 was £1,267,104.

The deficit in Local Government Pension Scheme (LGPS) is recognised in the balance sheet in accordance with FRS 102.

The Trust has maintained a healthy reserve during 2020/2021. However, there have been financial challenges during the year which will continue due to the long-term effects of COVID-19 and the impact of the national lockdown on children's learning, mental health and life needs which were not foreseen as part of the 2020/2021 budget setting. Narrowing digital access and improving the equity of other learning materials including books, pens and equipment as well as ensuring basic food rights for all disadvantaged children across the Trusts academies place a hefty additionality onto already stretched resources. Additionally, the Trust's capital contribution towards condition improvement projects, upgrading the telephone system to a cloud based system and the year on year increase to the national pay awards (2.75% on average), additionality of staffing resource whilst operating Discovery Special Academy across split site (Discovery and Pennyman sites) and the risk of the economy currently reducing grants to be delegated to the academies i.e. high needs top up is also of concern.

Reserves policy

Tees Valley Education is conscious of balancing adequate amounts of reserves to deal with the growth of the Trust and any unexpected costs arising, with the expectation that funding is used to benefit each pupil within their academic year. The Trust has therefore decided to define a set of rules in order to manage reserves in an intelligent, consistent but proactive manner in each academy and therefore across the Trust.

The reserve fund had a balance of £1.267m at 31st August 2021. The budget reserves during 2020/2021 have been factored in to continue to support Discovery Special Academy until it moves to its permanent site (Sandy Flatts Lane), which is planned for September 2022. The Trust has therefore, has erected an additional permanent classroom at Brambles Primary Academy for Discovery's use to meet the demand of required places. Reserves have also been used in the same financial year to support investment into teaching and learning capacity, capital investment to install a kitchen provision at Brambles Primary Academy. Brambles Primary Academy is within the 5% most deprived areas of the country. Pupil premium currently stands at 69% with 213 pupils eligible for free school meals. The scale of holiday hunger is rising due to an increase in deprivation following the recent pandemic and many more of our children are living in poverty. The kitchen installation has enabled the academy to develop more wider-reaching objectives around poverty proofing and working with the wider community. The new kitchen installation will serve approximately 68k meals a year for the next 25 years (minimum), which will be 1.7m meals over the kitchen's lifetime.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

All such investments are with the fundamental aim to support the journey for excellence in the academic year 2020/2021 for all children. In addition, some budget reserves have been utilised to cover expenditure associated to building costs, health and safety and accessibility where modifications have been necessary.

The total unrestricted and restricted income funds had a balance of £1.3m at 31st August 2021.

Tees Valley Education have an expectation that between 8-15% reserves should be retained/maintained as a contingency. The contingency is calculated on the GAG funding only and excludes Pupil Premium, ring-fenced grants, SEND funding and top up fees as well as any capital funding.

Investment policy

Due to the nature of the funding cycle, the academies may at times hold large cash balances which may not be required for immediate use. The Trustees have authorised the maintenance of additional investment account administered by the Trust to take advantage of higher interest rates. As yet no other form of investment is authorised. Surplus cash balances are placed on deposit at the Trust's bankers Lloyds Banking Group.

Principal risks and uncertainties

Trustees have identified strategic risks and uncertainties, which are appropriately managed through the strategic risk register. The risk register is reviewed at every Audit, Risk and Finance Committee, and any exceptions or amendments to the register is further reported to Trust Board for their consideration and input. The major risks to which the Trust is exposed are:

- COVID-19 and the ongoing impact of it on education delivery
- Discovery Special Academy build and migration: temporary accommodation and the transition to its permanent site (Sandy Flatts Lane)
- Review of financial viability of Wilton Primary Academy as the numbers on roll are reducing year on year

The risks are reviewed at least termly. This includes commissioning expertise such as external health and safety, a safeguarding consultant, teaching and learning consultants as well as leadership development in order to review the academy and Trust's practice as well as to advise and support the Trust, as appropriate.

The main risks to the Trust are:

- Discovery Special Academy permanent build project, due to the number of stakeholders involved and the move to it, the protection of the 'outstanding' educational provision (as determined by the Trust's moderation procedures) and political sensitivities around it.
- COVID-19 in terms of the financial impact and the impact it is having on teaching and learning. It is recognised by Trustees this is likely to continue for the next 1 to 2 years.
- Financial viability of Wilton Primary Academy

Positively, these risks are fully understood by Trustees and are monitored rigorously through a mixture of operational and strategic strands with controls and assurances.

Fundraising

The Trust does not use any external fundraising. All fund raising undertaken during the year was monitored by the Trustees.

The academies via their local academy committee's may raise funds for local causes that matter to the local academy and its community.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

For the period of 2020-21, Trustees were committed to following objectives:

- Discovery Special Academy, ongoing provision and to have its permanent academy site built and operational from September 2022.
- To grow the specialist TVEd nursery assessment places (across Discovery and Pennyman)
- Embedding of the Directors group and sustainability of the Trust
- Developing enterprise opportunities to blend curriculum learning to build aspirations.
- Develop further the Trust's approach to integrated curriculum financial planning to incorporate specialist provisional and additionally resourced provision.

For the period 2021-2022 all of the projects above will either continue in their entirety or at least need embedding. Additionally, for the period identified, there will also be:

- An estates management strategy to be finalised
- Procurement frameworks to be developed for significant projects and commissions
- Ongoing management and the leadership of strategy around the COVID.

Auditor

Insofar as the Trustees are aware:

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

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 09th December 2021 and signed on its behalf by:



.....
J A Brife
Chairman

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's governance handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Tees Valley Education and the Secretary of State for Education. The accounting officer is 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
J A Brine (Chairman)	5	5
K E Morley (CEO, Accounting Officer and staff trustee)	5	5
H D Dudiak	4	5
R J Hodges	4	5
P R D Scott (Resigned 4 November 2020)	0	1
P J Swalwell	2	5
A T Taylor	4	5
D C Jackson (Appointed 30 September 2020)	4	4
C Jones (Appointed 14 September 2020)	4	5
C J Weldon (Resigned 15 October 2021)	4	5
C P Zarraga	4	5

Governance Reviews

The Trust has successfully appointed new Trustees and a Member following the independent governance review undertaken during 2018/2019. The Trust will undertake a skills audit with Trustees in 2021/2022 following the governance review to identify strengths and development areas of the Trust Board. Furthermore, the Trustees annually review, at their training day, the governance arrangements, structures, reporting and scheme of delegation which includes considering research to ensure it reflects the Trust's current and future strategy.

The Trust will undertake a further review and or evaluation of its governance arrangements within 5 years of the review undertaken in 2018/2019.

The Audit, Risk and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to: monitor the financial performance of the Trust; approve budgets and agree the scope of internal audit work and review reports issued by auditors. It also deals with the estate management, insurance, pensions, risk register and financial planning across the Trust.

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Attendance at the Audit, Risk and Finance meetings was as follows in the year 2020/21:

Trustee	Meetings attended	Out of possible
J. Brine	2	2
R Hodges (Chair)	2	3
K Morley (CEO and Accounting Officer)	3	3
P Swalwell	3	3
C Weldon (resigned 15 October 2021)	2	3
C Zarraga	3	3

The Standards Committee's purpose is to look at key performance indicators across the Trust. For academy and school improvement and internal and external audits, progress data and attainment outcomes of all year groups and to debate education provision curriculum and assessment across the Trust.

Attendance at Standards Committee meetings in the year 2020/2021 was as follows:

Trustee	Meetings attended	Out of possible
H. Dudiak	2	3
D Jackson (Chair) (appointed September 2020)	3	3
C Jones (appointed September 2020)	3	3
P Scott (resigned November 2020)	-	-
K Morley (CEO and Accounting Officer)	3	3
A Taylor	2	3

Review of value for money

As Accounting Officer the Chief Executive 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. This includes the investment of children's life chances both academically and pastorally e.g. staff skills, knowledge, capability and the estates.

The Accounting Officer considers how the academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Investing in ongoing CPD in leadership and curriculum developments for Senior and Middle Educational Leadership Teams. This is because all senior and middle leaders contribute to, deliver, refine and therefore underpin the Trusts strategy to deliver excellence, habitually, for and on behalf of the children and their families.
- To support all children to access learning and safeguarding, as a result of COVID-19
- To support all pupils to accelerate their learning as a result of COVID-19
- To enable all children to access remote learning through a blended approach of face to face learning, online and physical resource packs
- To make savings on procurement of contracts such as multi-functional printers.

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

For the academic year 2021-22:

- Continue to embed and refine the above
- Increase the curriculum and broader opportunities for children achieving GDS
- Continue to review and refine the curriculum intent, implementation and impact for all formally, semi-formally and informally taught children.
- Further develop an estates management strategy to enable academies to manage the Trusts sites and allocate resources proactively, especially in light of the COVID response and adaptations needed
- Further develop a cohesive communication strategy to ensure clear communication across and around the Trust, with both internal and external stakeholders. This is to include digital and marketing media, to ensure that this proactively promotes the Diamond Standards along with the work of the Trust and the impact it is making to children and their families. To undertake this as both a civic duty and as a professional community hub.

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 Tees Valley Education for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and Audit, Risk and Finance Subcommittee.

The risk and control framework

The 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 Audit, Risk and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- regular review by the Standards Subcommittee and Challenge Board on children's progress and attainment
- identification and management of risks in areas such as safeguarding, information and health and safety
- review of and maintaining the Trust's policies

The Board of Trustees since September 2020 has commissioned Clive Owen LLP to undertake the Trust's internal audit assurance, following the revised FRC Ethical Standard for auditors from September 2020.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial and other systems.

The Board met and agreed the programme of internal assurance work to be carried out for the 2020-21 academic year, spaced out over 3 separate 1-day visits.

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Due to the recent Covid-19 pandemic and schools only being open for vulnerable children and children of key workers for a large part of 2020-21, the Autumn Term 2020 visit incorporated 2 days (including a day's work for the Summer Term 2020) and the Spring and Summer Term visits were combined for a 2-day visit all of which were carried out remotely. Evidence was requested and provided electronically via a series of email correspondence between the academy staff and the auditor.

The remote visits to Tees Valley Education Multi Academy Trust took place as follows:

1. The Autumn Term 2020 remote visit commenced on 28 and 29 January 2021 and reviewed the following areas:

- a. Month End Procedures
- b. Payroll
- c. Regularity and Compliance
- d. Risk Management
- e. Insurances
- f. Governing body minutes

2. The Spring / Summer Term 2021 remote visit took place on 25 and 26 May 2021 and reviewed the following areas:

- a. GDPR and Data Protection
- b. Income and Cash Security
- c. Capital and Contract Management
- d. Governing body minutes

Internal audit Conclusion

From the Internal Scrutiny work undertaken throughout the academic year 2020-21 it is clear that there is suitable monitoring of risk areas, with the Trust confirming that recommendations made have been fully completed or are in the process of being implemented to improve the controls already in place.

In addition, the Trust has completed the following audits:

End of Year Certificate (EOYC) (Teachers pensions)

Safeguarding and

Health and Safety

The EOYC is an annual audit exercise undertaken by employers to provide assurance to the Secretary of State that the teachers pension contributions collected and submitted are correct for the financial year 1 April 2020 to 31 March 2021. Azet Audit Services completed this audit during August 2021 and confirmed the correct contributions have been made, this has also been agreed and signed off by Teachers Pension.

The health and safety audits during 2020/21 were undertaken by the Trust's responsible officer at Redcar and Cleveland Borough Council and summarised below are the findings and outcomes of the audits:

All the academies received their external health and safety audits including annual fire risk assessment reviews and strong controls are in place for all academies with minor recommendations which have been addressed.

To further ensure the Trust and its academies were fully compliant with statutory expectations, the Trust commissioned Penshaw View Enterprises Limited for impartial and independent health and safety audits, advice, guidance and COVID risk assessment training, in addition to those audits from the Trust's independent responsible officer (Redcar and Cleveland Council). These audits confirmed robust controls in place and minor recommendations made, which were all acted upon immediately.

Wilton Primary Academy, received the 5* hygiene rating from Redcar and Cleveland Borough Council's Environmental Health team.

Finally, each term the Trust commissions a review of its websites and the academies website to ensure they are compliant with DfE's requirements of what academies and free schools must publish on their website (this excludes a content review, this is undertaken by relevant personnel within the Trust and the academies as an ongoing process). The audits have reported each term, fully compliant in all areas.

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Review of effectiveness

As Accounting Officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 09 December 2021 and signed on its behalf by:



J A Brine
Chairman



K E Morley
CEO, Accounting Officer and staff trustee

TEES VALLEY EDUCATION

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Tees Valley Education, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

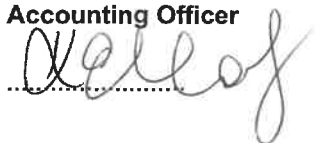
I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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

Financial issue

The trust entered into related party transactions during the year that have not been reported to the ESFA. An employee of the trust joined the leadership team in January 2021. The spouse of that employee owns a business that was providing services on an arm's length basis to the trust prior to them joining the leadership team. At the point the employee joined the leadership team, their spouse's business became a related party under the terms of the Academies Financial Handbook 2020, however this was not reported to the ESFA as required by the Handbook. The trust procured services to the value of £6,259 from the related party in the period since they met the definition of a related party. This technical breach of the requirements of the Academies Financial Handbook did not result in any changes to the terms under which services were provided, and this continued to be on an arm's length basis.

K E Morley
Accounting Officer



9 December 2021

TEES VALLEY EDUCATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Tees Valley Education for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 09 December 2021 and signed on its behalf by:


J A Brine
Chairman

TEES VALLEY EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEES VALLEY EDUCATION

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Tees Valley Education for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

TEES VALLEY EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEES VALLEY EDUCATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

TEES VALLEY EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEES VALLEY EDUCATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

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

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

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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

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

TEES VALLEY EDUCATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEES VALLEY EDUCATION (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Use of our report

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

Azets Audit Services

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

15/12/2021
.....

Statutory Auditor

Wynyrd Park House
Wynyrd Avenue
Wynyrd
Billingham
United Kingdom
TS22 5TB

TEES VALLEY EDUCATION

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 8 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tees Valley Education during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Tees Valley Education's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Tees Valley Education's funding agreement with the Secretary of State for Education dated 21 August 2015 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

TEES VALLEY EDUCATION

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

FOR THE YEAR ENDED 31 AUGUST 2021

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

Conclusion

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

As referred to in the Accounting Officer's Statement of Regularity, Propriety and Compliance, the trust entered into related party transactions during the year that have not been reported to the ESFA. An employee of the trust joined the leadership team in January 2021. The spouse of that employee owns a business that was providing services on an arm's length basis to the trust prior to them joining the leadership team. At the point the employee joined the leadership team, their spouse's business became a related party under the terms of the Academies Financial Handbook 2020, however this was not reported to the ESFA as required by the Handbook. The trust procured services to the value of £6,259 from the related party in the period since they met the definition of a related party. This technical breach of the requirements of the Academies Financial Handbook did not result in any changes to the terms under which services were provided, and this continued to be on an arm's length basis.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated:15/12/2021

TEES VALLEY EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds	Restricted funds:		Total 2021	Total 2020 as restated
	Notes	£	General	Fixed asset	£	£
Income and endowments from:						
Donations and capital grants	3	-	-	238,950	238,950	195,845
Charitable activities:						
- Funding for educational operations	4	75,494	9,091,215	-	9,166,709	8,362,511
Other trading activities	5	92,232	-	-	92,232	169,741
Investments	6	389	-	-	389	2,328
Total		168,115	9,091,215	238,950	9,498,280	8,730,425
Expenditure on:						
Raising funds	7	456	8,053	-	8,509	137,119
Charitable activities:						
- Educational operations	9	151,840	9,482,867	561,419	10,196,126	8,959,284
Total	7	152,296	9,490,920	561,419	10,204,635	9,096,403
Net income/(expenditure)		15,819	(399,705)	(322,469)	(706,355)	(365,978)
Transfers between funds	18	-	(312,424)	312,424	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(122,000)	-	(122,000)	(1,621,000)
Net movement in funds		15,819	(834,129)	(10,045)	(828,355)	(1,986,978)
Reconciliation of funds						
Total funds brought forward		131,517	(3,249,103)	14,583,058	11,465,472	13,452,450
Total funds carried forward		147,336	(4,083,232)	14,573,013	10,637,117	11,465,472

TEES VALLEY EDUCATION

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020 As restated	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £
Income and endowments from:					
Donations and capital grants	3	-	-	195,845	195,845
Charitable activities:					
- Funding for educational operations	4	65,462	8,297,049	-	8,362,511
Other trading activities	5	169,741	-	-	169,741
Investments	6	2,328	-	-	2,328
Total		237,531	8,297,049	195,845	8,730,425
Expenditure on:					
Raising funds	7	131,537	5,582	-	137,119
Charitable activities:					
- Educational operations	9	73,614	8,323,135	562,535	8,959,284
Total	7	205,151	8,328,717	562,535	9,096,403
Net income/(expenditure)		32,380	(31,668)	(366,690)	(365,978)
Transfers between funds	18	-	(545,834)	545,834	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,621,000)	-	(1,621,000)
Net movement in funds		32,380	(2,198,502)	179,144	(1,986,978)
Reconciliation of funds					
Total funds brought forward		99,137	(1,050,601)	14,403,914	13,452,450
Total funds carried forward		131,517	(3,249,103)	14,583,058	11,465,472

TEES VALLEY EDUCATION

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		14,573,013		14,387,213
Current assets					
Debtors	15	440,477		640,306	
Cash at bank and in hand		1,629,248		1,984,134	
		<u>2,069,725</u>		<u>2,624,440</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(802,621)		(1,053,181)	
Net current assets			1,267,104		1,571,259
Net assets excluding pension liability			15,840,117		15,958,472
Defined benefit pension scheme liability	20		(5,203,000)		(4,493,000)
Total net assets			<u>10,637,117</u>		<u>11,465,472</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			14,573,013		14,583,058
- Restricted income funds			1,119,768		1,243,897
- Pension reserve			(5,203,000)		(4,493,000)
Total restricted funds			<u>10,489,781</u>		<u>11,333,955</u>
Unrestricted income funds	18		<u>147,336</u>		<u>131,517</u>
Total funds			<u>10,637,117</u>		<u>11,465,472</u>

The accounts on pages 32 to 57 were approved by the trustees and authorised for issue on 9/12/2021 and are signed on their behalf by:

.....
J A Brine
Chairman

Company Number 09630999

TEES VALLEY EDUCATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

		2021		2020 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by operating activities	21		152,994		589,993
Cash flows from investing activities					
Dividends, interest and rents from investments		389		2,328	
Capital grants from DfE Group		136,043		195,845	
Purchase of tangible fixed assets		(644,312)		(545,834)	
Net cash used in investing activities			(507,880)		(347,661)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(354,886)		242,332
Cash and cash equivalents at beginning of the year			1,984,134		1,741,802
Cash and cash equivalents at end of the year			1,629,248		1,984,134

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

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

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

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

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the 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.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

Other income

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

Donated fixed assets

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

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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:

Long leasehold land	125 years
Freehold buildings	30 and 50 years
Leasehold buildings	30 and 50 years
Leasehold improvements	30 and 50 years
Computer equipment	4 years
Fixtures, fittings & equipment	10 years

The policy on depreciating long leasehold land has been amended, Previously the leasehold land was not depreciated, a policy of depreciating over the 125 year lease has been adopted and opening reserves restated to account for the depreciation not charged previously.

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

1.6 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 Leased assets

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

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

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

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.9 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.

1.10 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 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement

(Continued)

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 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Land and buildings

Some of the trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The land and buildings are valued on the basis of valuations provided by the ESFA/local authority

Depreciation

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

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	102,907	102,907	-
Capital grants	-	136,043	136,043	195,845
	-	238,950	238,950	195,845

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,749,931	5,749,931	5,508,050
Other DfE / ESFA grants:				
UFSM	-	118,421	118,421	116,515
Pupil premium	-	847,769	847,769	789,852
Start up grants	-	40,000	40,000	58,500
Teachers pension grants	-	197,001	197,001	184,757
Teachers pay grants	-	58,816	58,816	63,081
PE and sports premium	-	88,290	88,290	88,170
Rates	-	19,284	19,284	27,061
Others	-	-	-	799
	-	7,119,512	7,119,512	6,836,785
Other government grants				
Local authority grants	-	1,720,603	1,720,603	1,430,486
Covid-19 additional funding (DfE/ESFA)				
Catch-up premium	-	104,480	104,480	-
Other DfE/ESFA Covid-19 funding	-	116,331	116,331	29,778
	-	220,811	220,811	29,778
Covid-19 additional funding (non-DfE/ESFA)				
Other Covid-19 funding	-	30,289	30,289	-
Other funding				
Catering income	33,275	-	33,275	34,034
Other incoming resources	42,219	-	42,219	31,428
	75,494	-	75,494	65,462
Total funding	75,494	9,091,215	9,166,709	8,362,511

The trust received £104,480 of funding for catch-up premium and costs incurred in respect of this funding totalled £104,480, with no funds carried forward to 2021/22.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Uniform	1,209	-	1,209	672
Trips	4,035	-	4,035	16,366
Other income	86,988	-	86,988	152,703
	<u>92,232</u>	<u>-</u>	<u>92,232</u>	<u>169,741</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	389	-	389	2,328
	<u>389</u>	<u>-</u>	<u>389</u>	<u>2,328</u>

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	-	-	8,509	8,509	137,119
Academy's educational operations					
- Direct costs	5,835,245	-	525,287	6,360,532	5,669,018
- Allocated support costs	1,697,316	1,171,700	966,578	3,835,594	3,290,266
	<u>7,532,561</u>	<u>1,171,700</u>	<u>1,500,374</u>	<u>10,204,635</u>	<u>9,096,403</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	8,500	8,500
- Other services	4,700	6,725
Operating lease rentals	8,478	10,542
Depreciation of tangible fixed assets	561,419	562,535
Net interest on defined benefit pension liability	74,000	45,000
	<u>657,107</u>	<u>633,802</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Central services

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

- Payroll and HR services;
- Financial and legal services;
- Budgeting support and advice;
- Educational support services;

The trust's policy is to charge the constituent academies a percentage of their GAG funding but excluding the Pupil Premium, SEN or other similar funding. The percentage is fixed at 8% (2020: 8%)

The amounts charged during the year were as follows:	2021 £	2020 £
Brambles Primary Academy	129,208	108,072
Discovery Special Academy	53,225	38,400
Dormanstown Primary Academy	92,212	104,950
Pennyman Primary Academy	135,073	158,512
Wilton Primary Academy	29,466	30,710
	<u>439,184</u>	<u>440,644</u>

In addition to the above, further charges have been made to each school for additional time requirements of central staff in relation to Covid 19, analysed as follows:

	2021 £	2020 £
Brambles Primary Academy	-	3,506
Discovery Special Academy	-	3,506
Dormanstown Primary Academy	-	3,506
Pennyman Primary Academy	-	13,890
Wilton Primary Academy	-	3,504
	<u>-</u>	<u>27,912</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	76,706	6,283,826	6,360,532	5,669,018
Support costs				
Educational operations	75,134	3,760,460	3,835,594	3,290,266
	<u>151,840</u>	<u>10,044,286</u>	<u>10,196,126</u>	<u>8,959,284</u>

	2021 £	2020 £
Analysis of support costs		
Support staff costs	1,697,316	1,424,924
Depreciation	561,419	562,535
Technology costs	72,883	73,738
Premises costs	610,281	545,019
Legal costs	-	6,792
Other support costs	870,425	662,033
Governance costs	23,270	15,225
	<u>3,835,594</u>	<u>3,290,266</u>

10 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	5,205,905	4,731,922
Social security costs	491,097	395,571
Pension costs	1,590,187	1,290,330
Staff costs - employees	<u>7,287,189</u>	<u>6,417,823</u>
Agency staff costs	245,372	122,192
	<u>7,532,561</u>	<u>6,540,015</u>
Staff development and other staff costs	63,341	53,958
Total staff expenditure	<u>7,595,902</u>	<u>6,593,973</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

(Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	79	72
Administration and support	123	116
Management	6	6
	<u>208</u>	<u>194</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	1	-
£100,001 - £110,000	1	1
	<u>5</u>	<u>5</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £595,131 (2020: £552,599).

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

K Morley (Trustee and CEO)

Remuneration £105,001 - £110,000 (2020: £105,001 - £110,000)

Employer's pension contribution £25,001 - £30,000 (2020: £25,001 - £30,000)

During the year, travel and subsistence payments totalling £644 (2020: £1,304) were reimbursed or paid directly to two trustees (2020: two trustees).

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

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim and is provided by RPA on a per pupil basis so no breakdown for the cost element related to Trustees' and Officers' Insurance can be provided. The cost of this insurance is included in the total insurance cost.

13 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2020	16,007
Disposals	(16,007)
At 31 August 2021	-
Amortisation	
At 1 September 2020	16,007
On disposals	(16,007)
At 31 August 2021	-
Carrying amount	
At 31 August 2021	-
At 31 August 2020	-

14 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Leasehold improvements £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost						
At 1 September 2020	899,000	13,223,000	1,228,522	288,976	967,088	16,606,586
Additions	-	-	470,815	195,076	81,328	747,219
At 31 August 2021	899,000	13,223,000	1,699,337	484,052	1,048,416	17,353,805
Depreciation						
At 1 September 2020	56,934	1,578,426	149,522	181,511	252,980	2,219,373
Charge for the year	28,467	315,685	41,401	70,886	104,980	561,419
At 31 August 2021	85,401	1,894,111	190,923	252,397	357,960	2,780,792
Net book value						
At 31 August 2021	813,599	11,328,889	1,508,414	231,655	690,456	14,573,013
At 31 August 2020	842,066	11,644,574	1,079,000	107,465	714,108	14,387,213

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

15 Debtors

	2021 £	2020 £
Trade debtors	127,918	49,594
VAT recoverable	94,075	110,853
Prepayments and accrued income	218,484	479,859
	<u>440,477</u>	<u>640,306</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	393,732	456,866
Other taxation and social security	135,363	128,874
Other creditors	133,801	119,898
Accruals and deferred income	139,725	347,543
	<u>802,621</u>	<u>1,053,181</u>

17 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>46,195</u>	<u>61,198</u>
Deferred income at 1 September 2020	61,198	77,075
Released from previous years	(61,198)	(77,075)
Resources deferred in the year	<u>46,195</u>	<u>61,198</u>
Deferred income at 31 August 2021	<u>46,195</u>	<u>61,198</u>

Deferred income includes rates relief and UIFSM income received in advance of 2021/22 academic year.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	1,243,897	5,749,931	(5,561,636)	(312,424)	1,119,768
Start up grants	-	40,000	(40,000)	-	-
UIFSM	-	118,421	(118,421)	-	-
Pupil premium	-	847,769	(847,769)	-	-
Teachers pension grants	-	197,001	(197,001)	-	-
Teachers pay grants	-	58,816	(58,816)	-	-
PE and sports premium	-	88,290	(88,290)	-	-
Rates	-	19,284	(19,284)	-	-
Covid-19 catch up premium	-	104,480	(104,480)	-	-
Other DfE/ESFA Covid-19 funding	-	116,331	(116,331)	-	-
Other government grants	-	1,720,603	(1,720,603)	-	-
Other Covid-19 funding (non- DfE/ESFA)	-	30,289	(30,289)	-	-
Pension reserve	(4,493,000)	-	(588,000)	(122,000)	(5,203,000)
	<u>(3,249,103)</u>	<u>9,091,215</u>	<u>(9,490,920)</u>	<u>(434,424)</u>	<u>(4,083,232)</u>
Restricted fixed asset funds					
Inherited on conversion	13,155,279	-	(404,040)	-	12,751,239
DfE group capital grants	717,680	136,043	(62,645)	(197,201)	593,877
Capital expenditure from GAG	710,099	-	(77,624)	509,625	1,142,100
Private sector capital sponsorship	-	102,907	(17,110)	-	85,797
	<u>14,583,058</u>	<u>238,950</u>	<u>(561,419)</u>	<u>312,424</u>	<u>14,573,013</u>
Total restricted funds	<u>11,333,955</u>	<u>9,330,165</u>	<u>(10,052,339)</u>	<u>(122,000)</u>	<u>10,489,781</u>
Unrestricted funds					
General funds	<u>131,517</u>	<u>168,115</u>	<u>(152,296)</u>	<u>-</u>	<u>147,336</u>
Total funds	<u>11,465,472</u>	<u>9,498,280</u>	<u>(10,204,635)</u>	<u>(122,000)</u>	<u>10,637,117</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 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 subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

GAG, UIFSM, pupil premium, teachers' pay and pension grants, PE and sports premium and rates funding are all grants provided by the ESFA. Additional Covid-19 catch up and other funding has also been provided by the ESFA in the year.

Start up grants were received by Discovery Special Academy in respect of start up costs.

Other government grants include income for pupils with special educational needs and early years funding received from the local authority.

DfE/ESFA Capital Grants consist of the devolved capital grant and capital improvement fund. The capital improvement fund has been fully spent on leasehold improvements and the devolved capital has been partly spent on capital additions and partly on non capitalised items.

The Inherited Fixed Asset Fund reflects the fixed assets acquired from Local Authorities on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds are funds that can be used for any purpose within the objects of the trust.

At 31 August 2021 the academy had restricted general and unrestricted funds of £1,267,104.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	1,117,426	5,508,050	(4,835,745)	(545,834)	1,243,897
Start up grants	110	58,500	(58,610)	-	-
UIFSM	-	116,515	(116,515)	-	-
Pupil premium	-	789,852	(789,852)	-	-
Other DfE / ESFA grants	98,634	363,868	(462,502)	-	-
Other government grants	-	1,460,264	(1,460,264)	-	-
Other restricted funds	214,229	-	(214,229)	-	-
Pension reserve	(2,481,000)	-	(391,000)	(1,621,000)	(4,493,000)
	<u>(1,050,601)</u>	<u>8,297,049</u>	<u>(8,328,717)</u>	<u>(2,166,834)</u>	<u>(3,249,103)</u>
Restricted fixed asset funds					
Transfer on conversion	13,629,527	-	(474,248)	-	13,155,279
DfE group capital grants	546,486	195,845	(24,651)	-	717,680
Capital expenditure from GAG	227,901	-	(63,636)	545,834	710,099
	<u>14,403,914</u>	<u>195,845</u>	<u>(562,535)</u>	<u>545,834</u>	<u>14,583,058</u>
Total restricted funds	<u>13,353,313</u>	<u>8,492,894</u>	<u>(8,891,252)</u>	<u>(1,621,000)</u>	<u>11,333,955</u>
Unrestricted funds					
General funds	<u>99,137</u>	<u>237,531</u>	<u>(205,151)</u>	<u>-</u>	<u>131,517</u>
Total funds	<u>13,452,450</u>	<u>8,730,425</u>	<u>(9,096,403)</u>	<u>(1,621,000)</u>	<u>11,465,472</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Funds

(Continued)

Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Brambles Primary Academy	(75,975)	206,292
Discovery Special Academy	210,915	202,345
Dormanstown Primary Academy	558,400	495,718
Pennyman Primary Academy	482,481	449,672
Wilton Primary Academy	113,805	42,425
Central services	(22,522)	(21,038)
Total before fixed assets fund and pension reserve	1,267,104	1,375,414
Restricted fixed asset fund	14,573,013	14,583,058
Pension reserve	(5,203,000)	(4,493,000)
Total funds	10,637,117	11,465,472

Trustees approved for Brambles Primary Academy to utilise its reserves on a capital investment programme to install a fully functioning kitchen provision, that will serve approximately 68k meals a year for the next 25 years (minimum), which will be 1.7m meals over the kitchen's lifetime. Brambles Primary Academy is within the 5% most deprived areas of the country. Pupil premium currently stands at 69% with 213 pupils eligible for free school meals. The scale of holiday hunger is rising due to an increase in deprivation following the recent pandemic and many more of its children are living in poverty. The kitchen installation has enabled the academy to develop more wider-reaching objectives around poverty proofing and working with the wider community.

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Brambles Primary Academy	1,265,014	141,555	79,739	338,401	1,824,709	1,783,822
Discovery Special Academy	974,699	258,905	128,621	195,247	1,557,472	1,074,652
Dormanstown Primary Academy	1,307,324	193,009	61,466	304,492	1,866,291	1,755,768
Pennyman Primary Academy	2,006,971	190,962	138,777	485,895	2,822,605	2,535,366
Wilton Primary Academy	346,373	47,399	27,028	100,157	520,957	443,664
Central services	125,760	160,589	26,428	150,405	312,777	549,595
	6,026,141	992,419	462,059	1,574,597	9,055,216	8,142,868

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	14,573,013	14,573,013
Current assets	147,336	1,922,389	-	2,069,725
Creditors falling due within one year	-	(802,621)	-	(802,621)
Defined benefit pension liability	-	(5,203,000)	-	(5,203,000)
Total net assets	147,336	(4,083,232)	14,573,013	10,637,117
	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	14,387,213	14,387,213
Current assets	131,517	2,239,381	253,542	2,624,440
Creditors falling due within one year	-	(995,484)	(57,697)	(1,053,181)
Defined benefit pension liability	-	(4,493,000)	-	(4,493,000)
Total net assets	131,517	(3,249,103)	14,583,058	11,465,472

20 Pension and similar obligations

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

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

Contributions amounting to £114,897 were payable to the schemes at 31 August 2021 (2020: £82,346) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £658,054 (2020: £427,178).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.5% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2021 £	2020 £
Employer's contributions	309,000	279,000
Employees' contributions	108,000	88,000
Total contributions	417,000	367,000

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	3.6	3.2
Rate of increase for pensions in payment/inflation	2.6	2.2
Discount rate for scheme liabilities	1.7	1.7
Inflation assumption (CPI)	2.6	2.2

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

	2021 Years	2020 Years
Retiring today		
- Males	21.9	21.8
- Females	23.6	23.5
Retiring in 20 years		
- Males	23.3	23.2
- Females	25.4	25.3

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

The academy trust's share of the assets in the scheme	2021 Fair value £	2020 Fair value £
Equities	5,038,000	3,784,040
Cash	529,000	577,564
Property	465,000	398,320
Other assets	338,000	219,076
Total market value of assets	6,370,000	4,979,000

The actual return on scheme assets was £1,094,000 (2020: £560,000).

Amount recognised in the statement of financial activities	2021 £	2020 £
Current service cost	823,000	606,000
Past service cost	-	19,000
Interest income	(87,000)	(80,000)
Interest cost	161,000	125,000
Total operating charge	897,000	670,000

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

20 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2021	2020
	£	£
At 1 September 2020	9,472,000	6,515,000
Current service cost	823,000	606,000
Interest cost	161,000	125,000
Employee contributions	108,000	88,000
Actuarial loss	1,129,000	2,101,000
Benefits paid	(120,000)	18,000
Past service cost	-	19,000
At 31 August 2021	11,573,000	9,472,000
Changes in the fair value of the academy trust's share of scheme assets		
	2021	2020
	£	£
At 1 September 2020	4,979,000	4,034,000
Interest income	87,000	80,000
Actuarial gain	1,007,000	480,000
Employer contributions	309,000	279,000
Employee contributions	108,000	88,000
Benefits paid	(120,000)	18,000
At 31 August 2021	6,370,000	4,979,000
21 Reconciliation of net expenditure to net cash flow from operating activities		
	2021	2020
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(706,355)	(365,978)
Adjusted for:		
Capital grants from DfE and other capital income	(238,950)	(195,845)
Investment income receivable	(389)	(2,328)
Defined benefit pension costs less contributions payable	514,000	346,000
Defined benefit pension scheme finance cost	74,000	45,000
Depreciation of tangible fixed assets	561,419	562,535
Decrease/(increase) in debtors	199,829	(266,726)
(Decrease)/increase in creditors	(250,560)	467,335
Net cash provided by operating activities	152,994	589,993

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

22 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	1,984,134	(354,886)	1,629,248

23 Long-term commitments, including operating leases

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

	2021 £	2020 £
Amounts due within one year	3,372	5,970
Amounts due in two and five years	1,512	2,376
	<u>4,884</u>	<u>8,346</u>

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. The following related party transactions took place in the financial period.

Spark Aspirations Tees Valley - a business in which L Stogdale's (key management from January 2021) husband has a majority interest.

- During the year the academy trust obtained STEM, IT and curriculum services from the company, the total cost to the trust during form January 2021 to the year end was £6,259.
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which the trustee neither participated in, nor influenced
- In entering into the transaction, the academy trust has not fully complied with the requirements of the Academies Financial Handbook in that the ESFA was not notified in advance of the transactions taking place
- The element above £2,500 has been provided 'at no more than cost'

25 Members' liability

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

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

26 Prior period adjustment

		1 September 2019 £	31 August 2020 £
Reconciliation of funds	Notes		
Funds as previously reported		13,452,450	11,553,232
Adjustments arising:			
Leasehold land depreciation		-	(87,760)
Funds as restated		<u>13,452,450</u>	<u>11,465,472</u>
Reconciliation of net income/(expenditure) for the previous financial period	Notes		2020 £
Net expenditure as previously reported			(278,218)
Adjustments arising:			
Leasehold land depreciation			(87,760)
Net expenditure as restated			<u>(365,978)</u>
Notes to restatement			

The academy trust has made an adjustment to depreciated leasehold land over the term of the lease (125 years) where it had not previously done so. The opening fixed asset reserves and depreciation balances have been amend to reflect the depreciation that should have been charged.