

Company registration number 09630999 (England and Wales)

**TEES VALLEY EDUCATION
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

TEES VALLEY EDUCATION

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TEES VALLEY EDUCATION

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R Hodges
N Newell
A Smith
C Devereux

Trustees

R J Hodges
J A Brine (Chair)
K E Morley (CEO and Accounting Officer)
A T Taylor
P J Swalwell
H D Dudiak
D C Jackson
C Jones
C J Weldon (Resigned 15 October 2021)
C P Zarraga
A Cowley (Appointed 10 January 2022)
Mrs P Holbrook (Appointed 23 May 2022)

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 (deceased May 2022)
- Acting Head Teacher	D Higgins (May 22)
- Head of Academy (Pennyman Primary)	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

D Higgins
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
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 2022

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust was established in 2015 and provides education and enrichment activities to more than 1100 children across five Academies, located in Middlesbrough and Redcar and Cleveland local authority areas. Academies within the Trust are:

- Brambles Primary Academy (3 to 11 years),
- Discovery Special Academy (2 to 16 years),
- Dormanstown Primary Academy (3 to 11 years),
- Pennyman Primary Academy (3 to 11 years), and
- Wilton Primary Academy (3 to 11 years).

Two of the four mainstream academies (Dormanstown and Pennyman) have a substantial sized designated unit provision. Pupils in a Unit spend the majority of their time there, only attending mainstream classes for a few lessons, such as PE, for assembly or for lunch .

Tees Valley Education had 1227 children aged between 3 and 11 years on roll during 2021/22 academic (secondary age children started September 2022).

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.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021/22 Brambles, Discovery, Dormanstown and Wilton chairs have remained consistent. Pennyman appointed a new chair in March 2022. 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.

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.

- Members: The members are the guardians of the governance of the Trust and have a similar role to shareholders of a company limited by shares.
- 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: is also the Accounting Officer and has specific responsibilities for financial matters. It includes a personal responsibility to Parliament, and to ESFA's accounting officer, for the Trust's financial resources. The CEO role has delegated strategic and operational responsibility for the leadership and management of the Trust.
- Directors: Have lead strategic responsibility of the Trust's priorities and support the CEO by deputising at appropriate meetings and ensure short term resilience and sustainability of the Trust.
- Executive Head Teacher: has broader responsibility for either more than one academy or as a hub and spoke model and provides support and leadership 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.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 is 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 and notify ESFA of all related parties including those requiring approval. Furthermore, such transactions are disclosed in the accounts. There is associated delegated authority for all levels of senior leadership.

During 2021/22 there were two related party transactions (Spark Aspiration Tees Valley and Schools North East), which were declared and were beneath ESFA's threshold of £20,000.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

Objects and aims

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

The Trust approved pledge is:

'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, Redcar and Cleveland and Stockton.

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

TVE'd's whole community have demonstrated the Diamond Standards and are proud to announce that in 2021/22 the Trust remained committed to these and awarded a mixture of awards to children, staff, families and parents at a celebration event in July at Middlesbrough Football Club. All the nominees and overall winners received their medal and/or engraved glass trophies for each of the 4C's. There was also an additional award in memory of Ms Karen Gleave who passed away in May 2022. The Trust also celebrated these achievements in the Trust's termly and end of year newsletters.

Tees Valley Education has ongoing strategic objectives of:

- Continue to provide targeted support to children through the national tutoring programme and utilising the recovery premium to further improve their educational progress following the impact of Covid-19
- 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
- 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 (Local Authorities, Multi-academy Trusts and Health) to strengthen the SEND CPD teaching, learning and mentoring offer across the region
- Pioneering Trauma Informed Schools project; working in conjunction with the Attachment Research Community, Timpson Foundation and regional LA's, all TVED academies will provide annual baseline data on how the embedded 'Trauma Informed' practice is impacting upon pupil engagement and enhancing the delivery of teaching and learning to our most vulnerable children. Commencing Spring 2023, each TVED academy will have a growing number of trained Trauma Informed Practitioners working with vulnerable children across all teaching and pastoral job roles.
- Ensuring excellent value for money for all children through mapping an intelligent model of Integrated Curriculum Financial Planning (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 2022

The Trust are working in close partnership to develop the Trust's USP with key strategic partners being Ambition Institute, Teesside University, SSAT, Spark Aspirations Tees Valley, PD Ports, Materials Processing Institute, Apple, local SEND colleagues in the local authorities the academies are situated in to further develop the core offer for staff, children and the 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 everyone safe, and provide additional support to 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 2021/2022 and likely to continue into 2022/2023 due to the cost of living crisis including the increase in gas prices (Ofgem). 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, The Teesside Charity, Teesside Family Foundation, Middlesbrough Environment City affordable warmth, 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 including horizon scanning and the impact of external factors such as energy on the Trust's communities it serves and its academies.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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:

- As part of the Trust's civic duty, it has ensured where possible its academies have accessed support to aid with fuel and food poverty such as providing food hampers, welfare packs and vouchers towards gas and electricity and general advice and guidance on housing matters. This was achieved by working with a range of partners across the voluntary sector:
 - o AAA Roofing
 - o Ladies of Steel at Redcar
 - o Greggs Foundation
 - o Family Foundation
 - o FayreShare
 - o Community School Clothing Scheme
 - o Local Foodbanks
 - o Middlesbrough Environment City – Affordable Warmth
 - o Sainsburys (local stores)
 - o Middlesbrough Football Club
 - o Middlesbrough Borough Council
 - o Redcar and Cleveland Borough Council
 - o Mellors
 - o The Teesside Charity
- In addition, the Trust provided a wellbeing offer that was bespoke for all children and staff across the Trust. This was communicated via academy and Trust wide newsletters and social media which further celebrate the fantastic work being undertaken by children in all the Trust's academies.
- Academies provide access to affordable uniform including recycling donated uniform free of charge
- Academies provide an offer of additional extra-curricular activities such as holiday clubs, breakfast clubs and after school activities
- The Trust works in partnership with St Nicolas Church Guisborough by hosting termly events to bring together children and families from across the whole Trust by celebrating festivals through music with the community including supporting the Church
- The academies across the Trust proactively support national charities such as Children in Need, Comic Relief and Macmillan Cancer Support which in turn feedback in and support local families.
- The Trust continues to work with Materials Processing Institute and PD Ports to educate and raise awareness of their work, community engagement and environmental impact for all. The launch of our Business, Enterprise and Industry curriculum offer in July 2022 enhances and further develops our commitment to engaging our children and community in their local area and the opportunities it provides.
- Year 6 working with Teesside University Business School and producing plans for sustainable Middlesbrough of the future. This work will feature as a case study in the university's partnership work with UNESCO.
- 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.
- Continued to facilitated time off for staff where required to access their vaccination, to ensure they received the protection from the Covid-19 virus.
- 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, for its additional secondary
- Through the partnership working between Natures World and Discovery Special academy on behalf of the Trust, are working collaboratively on ongoing regeneration project which will include children from the Trust as part of its contribution towards becoming more environmentally responsible.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

The figures for this report are correct as of November 2022.

Date range of this report - 1st September 2021 – 21st July 2022

Current Trust and Academy Statistics - Children

Across the Trust, there was an increase of 40 children between July 2021 and July 2022. As at July 2022 the Trust supports a total of 1227 children from nursery to Year 6. Discovery secondary cohort became an addition from September 2022 following the approval of the Regional Schools Director.

Contextually, as a Trust the level of deprivation witnessed across its communities has declined significantly with a rise of around 20% more children living in the 10% most deprived areas nationally. The indices of deprivation (IDACI) was last calculated in 2019, pre-pandemic, and given the Trust's grass roots intelligence it is expected that this will rise further.

Trust Academic Overview 2021/2022

During the academic year 2021/22 the Trust continued to see further post Covid-19 disruption, especially during the autumn term. Bubble closures as a result of Covid-19, in line with public health and government guidance at the time, provided further challenges to ensuring the momentum and a consistency of the academic offer to all pupils. One of the Trust's academies (Pennyman Primary) was impacted significantly, especially considering the complex medical needs of some of the children, and as a result a mobile testing unit was placed on site by Public Health England for rapid identification of the virus. This was accessible to all children, parents, volunteers, academy contractors and staff.

The Trust continued to utilise its digital and paper based blended learning offer when required. Throughout the year the Trust continued to target additionality through tutoring, Covid-19 catch-up, and provide enrichment activities including holiday clubs, breakfast clubs and after school activities during the year.

Progress and Attainment Outcomes 2021/22 – Formally and Semi Formally Taught (Mainstream and SEND Unit Provision led curriculum)

This year the Trust saw the return of formal national assessments at primary level for Year 2 and Year 6, the last time being in 2019. This two-year gap as a result of the pandemic has meant that reporting trend data is challenging (therefore trend data presented as 2018, 2019 and 2022). Throughout this period, the Trust has continued with internal end of year data, based upon teacher assessments, using the 2019 SATs tests at Year 2 and 6 (delivered under test conditions) which were then internally and externally moderated. As a Trust this has allowed greater intelligence into the impact of the pandemic and supported the planning of target action for accelerated progress.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report Achievement and Performance

Academic Progress - 2021/22 Mainstream/Formally Taught

KS1-KS2 Progress	2018	2019	2022
Reading	-0.8	-1.0	-0.19
Writing	2.0	1.5	2.01
Maths	1.3	0.6	0.47

This measure outlines the progress from end of Key stage 1 to the end of key stage 2. Writing progress is strong and whilst reading progress is still a negative figure, impacted by boys specifically, the gap has reduced in a positive manner. Maths, whilst it is still a positive progress score, has declined. In the Summer term, and throughout the coming year, this will be focus area of development work across the Trust.

Improving the progress measure is a leadership development point for all academies this year and will be overseen by the Trust Improvement Team. There has been significant impact following Covid-19 for all children across the Trust, however with specific reference to over 80% of the Trust's children who are severely disadvantaged, which national research bears reference to. It is vital that as a Trust this continues to be a high priority on measuring and proving progress within year and throughout their eight-year journey for children. Financial commitment therefore has been key to stabilising the Trust's progress, alongside its drive for further improvements, in children's outcomes.

Academic Attainment – 2021/22 Mainstream Formally Taught: Trust Three Year Standards Data - Key Performance Measures

In general, taking into consideration the context of the last three years, the outcomes at the expected standard have returned to 2019 levels as a result of the investment in Trust improvement. Greater depth standard will continue to be a focus as the Trust builds on the good work of 2021/22 and refines its curriculum offer further.

Early Years Foundation Stage

Early Years	2018	2019	2022
GLD	57%	62% National 72%	64%

The good Level of Development (GLD) is the outcome that is measured at the end of reception where the children have followed an early year's curriculum. This curriculum was changed from September 2021 and so the children have been assessed against this for the first time. Trust attainment has a three year upward trend, despite the changes and given the children's significantly low starting points on entry to school, this demonstrates excellent progress over the children's time in early years.

Furthermore, nationally, and at TVED, children in the early years and Year 1 have had their education significantly impacted as a result of Covid-19 in areas such as physical, personal, social and emotional development including communication and language. As a result, throughout 2021/22 the Trust effectively implemented the revised early years curriculum and assessments, focusing heavily upon ensuring the children were meeting their milestones so that they were ready for the next stage of learning. Where gaps in learning were identified for children academies focussed support to ensure accelerated progress. In addition, the Trust further enhanced its offer to work alongside parents and provide family support as part of its post pandemic support to children and their families.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report Achievement and Performance

Year 1: Phonics Check

Year 1	2018	2019	2022
Phonics Check	78% NAT – 82%	85% NAT - 82%	75% NAT - 75%

A key component of the reading curriculum is phonics and children are assessed annually for a phonics screen check to assess how well children can use their phonics skills and teachers to identify those who need extra support. The gains made in 2019 had declined however, Year 1 children's early learning was significantly impacted upon through Covid-19 and this is why this cohort is on the Trust's risk register. All the mainstream academies have had intensive update training with the Trust's chosen scheme, Read Write Inc., so the Trust is expecting to recover this at pace given the fidelity to the scheme.

Key Stage 1 – Year 2

KS1 'Greater Depth'	2018	2019	2022
Reading	18% NAT - 26%	18% NAT - 25%	13% NAT - 18%
Writing	14% NAT - 16%	11% NAT - 15%	9% NAT - 8%
Maths	21% NAT - 22%	17% NAT - 22%	14% NAT - 15%

KS1 'Expected'	2018	2019	2022
Reading	74% NAT - 75%	67% NAT - 75%	69% NAT - 67%
Writing	69% NAT - 70%	63% NAT - 69%	63% NAT - 58%
Maths	74% NAT - 76%	70% NAT - 76%	71% NAT - 68%

At Year 2, children are awarded a teacher assessment judgement for reading, writing and maths. To support these judgements children, take a formal SATs test for reading and maths. For the expected standard outcomes are similar across a three-year trend which reflects the positive impact of the Trust's work over the last year. Progress from previous benchmark at early years (GLD) is good, especially given the impact of Covid-19. However, the Trust remains focused on providing a broad and balanced curriculum alongside a wide range of additionality of resource designed to ensure its children make at least good progress with many more making accelerated progress.

The greater depth outcomes for all children are in line with national expectations across the Trust at the end of KS1 and it will remain a focus of the Trust's work during next academic year.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report Achievement and Performance

Key Stage 2 – Year 6

KS2 'Greater Depth'	2018	2019	2022
GPS	22% NAT - 34%	24% NAT - 36%	20% NAT - 28%
Reading	19% NAT - 28%	18% NAT - 27%	24% NAT - 28%
Writing	14% NAT - 20%	17% NAT - 20%	13% NAT - 13%
Maths	16% NAT - 24%	21% NAT - 27%	20% NAT - 22%
Combined	7% NAT - 10%	6% NAT - 11%	6% NAT - 7%

KS2 'Expected'	2018	2019	2022
GPS	75% NAT - 78%	74% NAT - 78%	64% NAT - 72%
Reading	71% NAT - 75%	72% NAT - 73%	72% NAT - 74%
Writing	89% NAT - 78%	78% NAT - 78%	78% NAT - 69%
Maths	78% NAT - 76%	77% NAT - 79%	73% NAT - 71%
Combined	66% NAT - 64%	64% NAT - 65%	64% NAT - 59%

KS2 formal assessment of SATs is a mix of formal exams for reading, GPS (Grammar, Punctuation and Spelling), maths and teacher assessments for writing for children in Year 6. Apart from GPS, 2022 expected outcomes are at or above national. At the expected standard attainment outcomes are similar across a three-year trend. Reading and writing frameworks has been refined with additional resources and will continue to be monitored for impact, alongside further GPS developments.

A further area for development that has been seen across all key stages is the further development of GDS, building on the progress made this year and the refinement of the curriculum offer.

Academic Progress - 2021/22 SEND Unit Provision – Children with a Semi Formally Taught Curriculum Pathway

Rational

Data presented represents children who are accessing a semi-formal curriculum within three of the Trust's academies – Discovery Special Academy, Dormanstown Primary Academy SEND Unit & Pennyman Primary Academy SEND Unit.

Assessment data is based on teacher's judgement towards their PIVATS target, which are supported by CASPA, using national data set that considers their SEND need.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report Achievement and Performance

Semi-Formal

On or Above Personal Targets	July 2021	July 2022
Reading	83%	84%
Writing	82%	84%
Maths (Avg. Number, SSM & U&A)	82%	83%

Data represents children's progress against their personal targets (CASPA generated). This represents excellent progress over a sustained two-year period. Contextually, the pupils who receive a Semi Formal curriculum have a wider range of vulnerabilities due to their SEND needs, which for many has been significantly enhanced due to Covid-19.

Trust Areas of Development for 2022/23

Following on from the end of year standards review, triangulation of a range of strategic evidence and given the context of the last two years, the areas of development across the trust are:

- Improved outcomes for both attainment and progress for all children
- GDS and mastery development
- Refine and further develop the core subjects (Reading, Writing and Maths)

Trust Improvement Process

Due to the challenges nationally from Covid-19 and wider national issues the Trust continues to prioritise and invest in academy and school improvement. This has been to ensure standards and outcomes are at least in line with national expectation and that the Trust's improvement team is dynamic and agile to respond timely to Trust, local and national changes.

From September 2021 the investment in Trust improvement has been strategically led by the Director of Trust Improvement and Standards and supported from April 2022 by a Trust Improvement Lead. This has enabled a greater level of analysis and laser focus on both Trust and academy improvement, quality assurance, greater consistency, support and challenge through the utilisation of a range of robust triangulation strategies and systemisation.

This was underpinned during 21/22 through building on embedded pedagogical approaches grounded in the science of learning (previously delivered to all staff), current research and supported by the Trust's teacher educators to ensure staff strive for excellence. In support of this the Trust has designed a bespoke CPD package for staff throughout the next academic year around developing the knowledge and skills, that research says are central to middle leaders as specialists in their subject curriculum, making sure that it is effectively implemented, monitored and measured.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report Achievement and Performance

Safeguarding and welfare approach across the Trust: Safeguarding approach during 2021/22

The Trust has a rigorous commitment to ensuring all statutory safeguarding requirements are in place including a designated Trust Safeguarding Lead and Trustee. Alongside this, there is a passion for ensuring excellence for its community and therefore safeguarding and welfare is a strategic priority

Embedded practice within the Trust is for all its academies to complete rigorous safeguarding audits both internally and externally. The last external audits were completed in the academic year 2021/22.

Safeguarding Context

The external audits focussed on supporting the Designated Safeguarding Leads (DSLs) to use the audit as an opportunity to understand more of the culture (within their academy/across the Trust) and what difference the various processes have on practice and impact.

It also provided a valuable opportunity for academies to reflect and recognise the context in which they have operated as a result of the Covid-19 pandemic, and showcase how academy leaders adapted approaches to safeguarding during the pandemic to ensure safeguarding arrangements remained effective.

Auditors findings

The auditor found the schools self-assessments to be honest and an accurate reflection of current practice.

Overall the audits raised no concerns and provided strong evidence of a safeguarding culture within the academies, supported by a child centred approach where there are various opportunities for pupil's voices and choices to be heard. All safeguarding teams took ownership of their safeguarding responsibilities and were able to clearly communicate their shared vision and values. Safeguarding practice examples demonstrated sound knowledge of child protection processes as well as inclusivity and compassion for children and their families.

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.

- **Actions Not Fully Met:** Throughout all the audits there were two specific actions where academies rated that they did not fully meet requirements as follows:

1. Lines of Accountability section 2.4: One-to-one supervision was not available for all staff involved in safeguarding matters. The auditor was not unduly unconcerned about this because at the time of the audit the Trust was in the process of commissioning an external provider to deliver this service across all the academies and it was clear that this is a priority for the Trust.
2. Embedding Policy section 3.3: The audit requires the organisation to have a service user participation/ involvement policy. However, the auditor found strong evidence to support that the wishes and feelings of children, young people and families are routinely sought and form part of service and strategic development across all of the Trust.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report

Achievement and Performance

The Trust and its academies, as part of its wider civic duty, has been creative, impactful and equally as far reaching as the impact of the economic crisis itself. Some of the actions have resulted in greater collaboration with existing and new stakeholders, both locally and regionally, and is one of the few positives that can be taken from the circumstance as a result of Covid-19.

During the past academic year TVED academies have remained open for Easter and summer clubs, with a focus on some academic catch-up for targeted pupils, to ensure that provision for some of the most disadvantaged children in the country, including those with complex and significant SEND could be supported. This offer will be expanded in across the Trust in 2022-23.

Safeguarding and welfare approach across the Trust: Welfare approach during 2021/22

Although face to face contact with parents and carers is now fully re-instated, social media, as well as learning platforms such as Showbie or SeeSaw continue to be an essential platform for academies to engage with its community. Academies 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. Some much loved Trust events have resumed in person, such as Harvest Festival (where academies provide food hampers to local families in need), Summer Fair, Academy Rocks, Choir performances, Trust Diamond Standards awards and visits linked to the curriculum and local industry, as well as the popular week-long residential visits to an Outdoor Education Centre.

As everyone emerges out from 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 resume its participation in sports competitions between the academies or in local competitions, to promote physical activity and competitive sports. This allows 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 the Trust has four HeadStart schools. Furthermore, the Trust has its own counsellor and Emotional Literacy Support Assistants (ELSAs) to provide wellbeing support to children that need it. With so many links made with organisations in recent years, and newly commissioned arrangements with an Educational Psychology Service and employing a Trust Trauma Informed Practice Programme Lead, who will provide CPD to all teaching and learning and pastoral staff to support children who are suffering the effects of trauma. The Trust is proud to expand the Pupil Therapy and Wellbeing offer, detailing the range of therapies offered to its children as well as the stakeholders it works with in order to achieve this. Therapies across the Trust are an integral part of academy life and will continue to be a driver throughout this transitional phase.

The legacy and impact of Covid-19 on safeguarding and welfare has, for this past year, been significant, coupled with events already highlighted in previous sections. As was widely predicted, and seen first-hand, attendance and punctuality with so many families requiring the double effort of staff and academy leaders to ensure all children were back into the habit of attending school regularly and on time. In Summer 2022, the Trust began a root and branches review of all attendance procedures, timed with the implementation of the new DfE Attendance Policy for September 2022 and the lift on the embargo of taking parents through procedures.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic Report
Achievement and Performance

Safeguarding and welfare approach across the Trust: Welfare approach during 2021/22 continued

The Trust has continued with its commitment to ensuring school uniforms remain affordable and a range of options to ensure all children had access to a uniform regardless of their means.

Moving into 2023, the true impact of cuts to services, higher energy, clothing and food costs means many more of the Trust's families will be facing extreme hardship, like never experienced before. The Trust and its academies are actively engaging with parents/carers on:

- how to access credit unions,
- how to access welfare rights and benefits,
- affordable warmth projects and equipment,
- foodbanks
- free uniforms,
- free sanitary and care products for girls
- how to arrange family finances and prepare nutritional but low-cost family meals
- access to free or discounted family days and service

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 2022

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.

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 2021/2022.

During the year ending 31st August 2022, total expenditure of £10.2m 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 £124,000.

At 31st August 2022, the net book value of tangible fixed assets was £14.3m. Movements in tangible fixed assets are shown in note 13 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 2022 was £1,261,320.

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 2021/2022. However, there continues to be financial challenges due to the significant rise in energy costs, rate of inflation and national pay awards higher than profiled, long-term effects of Covid-19 and the impact of the national lockdown on children's learning, mental health and life needs. Additionally, the Trust's capital contribution towards condition improvement projects including the roof repair at Pennyman Primary following storm Arwen (November 2021), but also capitalising and benefiting from on economies of scale to repair the wider roof where it had surpassed its life span and required being replaced. The Trust applied the nationally agreed NJC pay award (between 1.75% and 2.75%) in March 2022 (pertained to April 2021), plus the impact of the health and social care levy being introduced from April 2022, which later it was agreed academies would receive a grant to support the increased costs associated to the levy.

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 £1.26m at 31st August 2022. The budget reserves during 2021/2022 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 and to support investment into teaching and learning capacity as this is a Trust priority.

All such investments are with the fundamental aim to support the journey for excellence in the academic year 2021/2022 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 £1.26m at 31st August 2022.

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.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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:

- Progress of children's outcomes post Covid-19
- Discovery Special Academy build and migration: temporary accommodation and the transition to its permanent site (Sandy Flatts Lane) including capital development to install secondary and nursery schools, as during 2021/22 they nursery school opened on a temporary site and the Regional Schools Director approved an extension of secondary places from September 2022 site pending a decision.
- 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 and extension of its provision to nursery and secondary as the additional provision will remain on temporary sites until permanent sites are identified. Positive stakeholder engagement in progress to identify suitable sites.
- Progress of learning including wellbeing following the world unlocking from Covid-19
- 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 and national causes that matter to the local academy and its community e.g. Children in Need, Comic Relief and Macmillan Cancer Support.

Plans for future periods

For the period of 2021-22, Trustees were committed to following objectives:

- Discovery Special Academy, expansion of their nursery and secondary provision on permanent sites
- 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.
- Estates management strategy and a fully forecast plan which has resources allocated to maintain exceptional buildings and premises to enable children and others to feel safe and good place to learn and work.

For the period 2022-2023 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:

- Procurement frameworks to be developed for significant projects and commissions
- Further development of the HR and Workforce strategy reforms regarding the Trust's suite of schemes of delegation

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022


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 08 December 2022 and signed on its behalf by:


J A Brine
Chair

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
R J Hodges	3	4
J A Brine (Chair)	3	4
K E Morley (CEO and Accounting Officer)	4	4
A T Taylor	2	4
P J Swalwell	3	4
H D Dudiak	4	4
D C Jackson	2	3
C Jones	1	3
C J Weldon (Resigned 15 October 2021)	1	1
C P Zarraga	3	4
A Cowley (Appointed 10 January 2022)	2	2
Mrs P Holbrook (Appointed 23 May 2022)	1	1

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Furthermore, the Board meetings for Trustee training days twice a year, which is in addition to the Board meetings to keep abreast of Trust strategy and policy.

Conflicts of interest

At Tees Valley Education conflict of interests are managed through an annual requirement for all leaders, Trustees and Members to complete a pecuniary interest form, which informs the Trust's register of interest and is published on its website. This information is used in day to day management when making decisions and is reported within the Trust's governance structure to audit, risk and finance committee for full transparency.

Where a related party is known, systems are in place to ensure the related party is not involved with commissioning or signing off the work, this will be undertaken by the Chief Executive or Chair of the Trust Board where appropriate.

In addition, the Trust has strong financial controls with clear segregation of duties to avoid conflict of interests e.g. two signatures to approve bank payments, credit card payments and cash withdrawals.

Governance Reviews

The Trust has successfully appointed new Trustees and a Member following the independent governance review undertaken during 2018/2019. The Trust undertook 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 is considering during 2022/23 to undertake a further review and/or evaluation of its governance arrangements.

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 2022

During the year C Weldon resigned in October 2021 and A Cowley who is a qualified accountant, joined the committee. Attendance at the Audit, Risk and Finance meetings was as follows in the year 2021/22:

Trustee	Meetings attended	Out of possible
R Hodges (Chair)	3	3
K Morley (CEO and Accounting Officer)	2	3
P Swalwell	3	3
C Weldon (resigned 15 October 2021)	0	0
C Zarraga	1	3
A Cowley (appointed January 2022)	2	2

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.

During the year C Jones resigned in May 2022 and P Holbrook a qualified teacher with a specialism in SEND joined in May 2022. Attendance at Standards Committee meetings in the year 2021/2022 was as follows:

Trustee	Meetings attended	Out of possible
H. Dudiak	3	3
D Jackson (Chair)	3	3
C Jones (resigned 18 May 2022))	1	2
K Morley (CEO and Accounting Officer)	3	3
A Taylor	2	3
P Holbrook (appointed May 2022)	1	1

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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.
- Investment in pastoral and welfare to support all children with needs to access learning, support, emotional development and resilience and engagement in school.
- Delivery of the only Special Free School for SLD in the north
- Investment in school improvement to support all pupils to accelerate their learning as a result of Covid-19

For the Academic year 2021-22

- Continue to embed and refine the above
- Increase the curriculum and broader opportunities for children achieving GDS
- Increase the LA commissioned High Needs places across several academies, including expansion of age range (Nursery and Secondary), to expand TVEDs offer for pupils with complex needs outlined in their EHCP's and, crucially, ensuring they are educated within borough
- More pupils with SEND accessing the TVED curriculum pathway (semi-formal and informal) and making better than expected progress (see Curriculum table)
- Commissioning of services to expand the Pupil Health and Wellbeing offer, notably the commencement of an Educational Psychology contract 2 full days per week
- Employment of a Trauma Informed Practice programme lead to deliver quality CPD to all academy staff on the approaches and strategies of working with children experiencing trauma
- Ongoing CPD for Trust Counsellor to enable the delivery of 'in-house' Art and play therapies
- Four academies now have Headstart status, which enables ELSA's and TA's to support children's emotional development and the potential to secure additional funding (up to £10k per academy) to procure resources to develop Behaviour and emotional support and reduce suspensions and exclusion
- Investment in termly specialised supervision for DSLs and DDSLs to support them in the dealing with the emotional aspects of their role and acknowledgment of the increased number of pupils meeting social care thresholds
- 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-19 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 and 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 31 August 2022 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 has decided 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. In particular, the checks carried out in the current period include:

- a. Budgeting and Financial Management
- b. Census returns
- c. HR and Staffing
- d. Pupil Premium
- e. Vehicle Management
- f. VAT
- g. Website compliance

On a termly basis, the auditor reports to the board of trustees, through the audit, risk and finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. On an annual basis the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The Board met and agreed the programme of internal assurance work to be carried out for the 2021-22 academic year, spaced out over 3 separate 1-day visits.

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 audits were undertaken during 2021/22 and evidence was requested whilst on site and provided electronically via a series of email correspondence between the academy staff and the auditor.

Internal audit Conclusion

From the Internal Scrutiny work undertaken throughout the academic year 2021-22 there is suitable monitoring of risk areas, with the Trust confirming that recommendations made either 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 2021 to 31 March 2022. Azets Audit Services completed this audit during August 2022 and confirmed the correct contributions have been made, this has also been agreed and signed off by Teachers Pension.

The risk and control framework continued:

The health and safety audits during 2021/22 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.

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 2022

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 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 work of the external auditor
- Correspondence from ESFA e.g. FNI/Ntl 'minded to' letters.

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 08 December 2022 and signed on its behalf by:



J A Brine
Chair



K E Morley
CEO and Accounting Officer

TEES VALLEY EDUCATION

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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. The spouse of a member of key management owns a business that provides services on an arm's length basis to the trust to the value of £7,452, this was not reported to the ESFA as required by the Academy Trust Handbook. This technical breach of the requirements of the Academy Trust 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

08 December 2022

TEES VALLEY EDUCATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022 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 2021 to 2022;
- 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 08 December 2022 and signed on its behalf by:


J A Brine
Chair

TEES VALLEY EDUCATION

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

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Tees Valley Education for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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 2022 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 2021 to 2022.

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

We have nothing to report in this regard.

TEES VALLEY EDUCATION

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

FOR THE YEAR ENDED 31 AUGUST 2022

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:

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 2022

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 2021 to 2022 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 is available on the Financial Reporting Council's website at: <https://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 2022

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

Statutory Auditor

8/12/2022

Wynyard Park House
Wynyard Avenue
Wynyard
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 2022

In accordance with the terms of our engagement letter dated 11 July 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 2022

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

Modified 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 2021 to 31 August 2022 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. The spouse of a member of key management owns a business that was providing services on an arm's length basis to the trust to the value of £7,452, this was not reported to the ESFA as required by the Academy Trust Handbook. This technical breach of the requirements of the Academy Trust 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:8/12/2022.....

TEES VALLEY EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2022 £	Total 2021 £
Income and endowments from:					
Donations and capital grants	3	1,171	-	333,576	334,747
Charitable activities:					
- Funding for educational operations	4	119,164	10,030,297	-	10,149,461
Other trading activities	5	133,694	-	-	133,694
Investments	6	439	-	-	439
Total		254,468	10,030,297	333,576	10,618,341
Expenditure on:					
Raising funds	7	103,596	12,078	-	115,674
Charitable activities:					
- Educational operations	9	119,164	10,776,648	614,326	11,510,138
Total	7	222,760	10,788,726	614,326	11,625,812
Net income/(expenditure)		31,708	(758,429)	(280,750)	(1,007,471)
Transfers between funds	17	-	(130,063)	130,063	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	5,752,000	-	5,752,000
Net movement in funds		31,708	4,863,508	(150,687)	4,744,529
Reconciliation of funds					
Total funds brought forward		147,336	(4,083,232)	14,573,013	10,637,117
Total funds carried forward		179,044	780,276	14,422,326	15,381,646

TEES VALLEY EDUCATION

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

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
Income and endowments from:					
Donations and capital grants	3	-	-	238,950	238,950
Charitable activities:					
- Funding for educational operations	4	75,494	9,091,215	-	9,166,709
Other trading activities	5	92,232	-	-	92,232
Investments	6	389	-	-	389
Total		168,115	9,091,215	238,950	9,498,280
Expenditure on:					
Raising funds	7	456	8,053	-	8,509
Charitable activities:					
- Educational operations	9	151,840	9,482,867	561,419	10,196,126
Total	7	152,296	9,490,920	561,419	10,204,635
Net income/(expenditure)		15,819	(399,705)	(322,469)	(706,355)
Transfers between funds	17	-	(312,424)	312,424	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(122,000)	-	(122,000)
Net movement in funds		15,819	(834,129)	(10,045)	(828,355)
Reconciliation of funds					
Total funds brought forward		131,517	(3,249,103)	14,583,058	11,465,472
Total funds carried forward		147,336	(4,083,232)	14,573,013	10,637,117

TEES VALLEY EDUCATION

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		14,292,489		14,573,013
Current assets					
Debtors	14	650,981		440,477	
Cash at bank and in hand		1,443,700		1,629,248	
		2,094,681		2,069,725	
Current liabilities					
Creditors: amounts falling due within one year	15	(703,524)		(802,621)	
Net current assets			1,391,157		1,267,104
Net assets excluding pension liability			15,683,646		15,840,117
Defined benefit pension scheme liability	19		(302,000)		(5,203,000)
Total net assets			15,381,646		10,637,117
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			14,422,326		14,573,013
- Restricted income funds			1,082,276		1,119,768
- Pension reserve			(302,000)		(5,203,000)
Total restricted funds			15,202,602		10,489,781
Unrestricted income funds	17		179,044		147,336
Total funds			15,381,646		10,637,117

The accounts on pages 35 to 60 were approved by the trustees and authorised for issue on 08 December 2022 and are signed on their behalf by:


J A Brine
Chair

Company registration number 09630999

TEES VALLEY EDUCATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(185,761)		152,994
Cash flows from investing activities					
Dividends, interest and rents from investments		439		389	
Capital grants from DfE Group		34,672		136,043	
Capital funding received from sponsors and others		298,904		-	
Purchase of tangible fixed assets		(333,802)		(644,312)	
Net cash provided by/(used in) investing activities			213		(507,880)
Net decrease in cash and cash equivalents in the reporting period			(185,548)		(354,886)
Cash and cash equivalents at beginning of the year			1,629,248		1,984,134
Cash and cash equivalents at end of the year			1,443,700		1,629,248

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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 2021 to 2022 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.

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.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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 2022

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.

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.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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.

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.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 2022 £	Total 2021 £
Donated fixed assets	-	-	-	102,907
Capital grants	-	333,576	333,576	136,043
Other donations	1,171	-	1,171	-
	<u>1,171</u>	<u>333,576</u>	<u>334,747</u>	<u>238,950</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	6,340,155	6,340,155	5,749,931
Other DfE/ESFA grants:				
UIFSM	-	67,948	67,948	74,771
Pupil premium	-	908,052	908,052	847,769
Start up grants	-	-	-	40,000
PE and sports premium	-	88,610	88,610	88,290
Rates	-	24,274	24,274	19,284
Teachers pension	-	18,480	18,480	197,001
Teachers pay grant	-	6,540	6,540	58,816
National tutor grant	-	107,584	107,584	-
Supplementary grant	-	65,327	65,327	-
Others	-	13,200	13,200	43,650
	-	7,640,170	7,640,170	7,119,512
Other government grants				
Local authority grants	-	2,282,887	2,282,887	1,720,603
COVID-19 additional funding				
DfE/ESFA				
Catch-up premium	-	-	-	104,480
Covid recovery	-	107,240	107,240	-
Other DfE/ESFA COVID-19 funding	-	-	-	116,331
Non-DfE/ESFA				
Other COVID-19 funding	-	-	-	30,289
	-	107,240	107,240	251,100
Other funding				
Catering income	27,996	-	27,996	33,275
Other incoming resources	91,168	-	91,168	42,219
	119,164	-	119,164	75,494
Total funding	119,164	10,030,297	10,149,461	9,166,709

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Catering income	1,363	-	1,363	-
Uniform	1,067	-	1,067	1,209
Trips	23,857	-	23,857	4,035
Other income	107,407	-	107,407	86,988
	<u>133,694</u>	<u>-</u>	<u>133,694</u>	<u>92,232</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Short term deposits	439	-	439	389
	<u>439</u>	<u>-</u>	<u>439</u>	<u>389</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2022 £	Total 2021 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	42,400	-	73,274	115,674	8,509
Academy's educational operations					
- Direct costs	6,243,064	-	677,586	6,920,650	6,360,532
- Allocated support costs	2,095,240	1,467,429	1,026,819	4,589,488	3,835,594
	<u>8,380,704</u>	<u>1,467,429</u>	<u>1,777,679</u>	<u>11,625,812</u>	<u>10,204,635</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	10,500	8,500
- Other services	5,400	4,700
Operating lease rentals	21,538	8,478
Depreciation of tangible fixed assets	614,326	561,419
Net interest on defined benefit pension liability	95,000	74,000
	<u>746,764</u>	<u>656,107</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Central services

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

- Payroll and HR services;
- Financial, GDPR and legal services;
- Budgeting support and advice;
- Educational support services;
- Special education needs and inclusion 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% (2021: 8%)

The amounts charged during the year were as follows:

	2022 £	2021 £
Brambles Primary Academy	146,488	129,208
Discovery Special Academy	98,659	53,225
Dormanstown Primary Academy	116,776	92,212
Pennyman Primary Academy	171,111	135,073
Wilton Primary Academy	28,717	29,466
	<u>561,751</u>	<u>439,184</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:

	2022 £	2021 £
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 2022

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	-	6,920,650	6,920,650	6,360,532
Support costs				
Educational operations	119,164	4,470,324	4,589,488	3,835,594
	<u>119,164</u>	<u>11,390,974</u>	<u>11,510,138</u>	<u>10,196,126</u>
			2022 £	2021 £
Analysis of support costs				
Support staff costs			2,095,240	1,697,316
Depreciation			614,326	561,419
Technology costs			86,446	72,883
Premises costs			853,103	610,281
Other support costs			920,848	870,425
Governance costs			19,525	23,270
			<u>4,589,488</u>	<u>3,835,594</u>

10 Staff

Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	5,595,066	5,205,905
Social security costs	542,802	491,097
Pension costs	1,913,224	1,590,187
Staff costs - employees	<u>8,051,092</u>	<u>7,287,189</u>
Agency staff costs	303,237	245,372
Staff restructuring costs	26,375	-
	<u>8,380,704</u>	<u>7,532,561</u>
Staff development and other staff costs	110,655	63,341
Total staff expenditure	<u>8,491,359</u>	<u>7,595,902</u>
Staff restructuring costs comprise:		
Redundancy payments	<u>26,375</u>	<u>-</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Staff

(Continued)

Staff numbers

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

	2022 Number	2021 Number
Teachers	80	79
Administration and support	134	123
Management	10	6
	<u>224</u>	<u>208</u>

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	1	3
£70,001 - £80,000	3	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 £807,842 (2021: £595,131).

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 (2021: £105,001 - £110,000)

Employer's pension contribution £25,001 - £30,000 (2021: £25,001 - £30,000)

During the year, travel and subsistence payments totalling £1,490 (2021: £644) were reimbursed or paid directly to three trustees (2021: 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 2022

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 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Leasehold improvements £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost						
At 1 September 2021	899,000	13,223,000	1,699,337	484,052	1,048,416	17,353,805
Additions	-	-	27,314	118,433	188,055	333,802
At 31 August 2022	899,000	13,223,000	1,726,651	602,485	1,236,471	17,687,607
Depreciation						
At 1 September 2021	85,401	1,894,111	190,923	252,397	357,960	2,780,792
Charge for the year	28,467	318,198	58,149	95,503	114,009	614,326
At 31 August 2022	113,868	2,212,309	249,072	347,900	471,969	3,395,118
Net book value						
At 31 August 2022	785,132	11,010,691	1,477,579	254,585	764,502	14,292,489
At 31 August 2021	813,599	11,328,889	1,508,414	231,655	690,456	14,573,013

14 Debtors

	2022 £	2021 £
Trade debtors	197,544	127,918
VAT recoverable	103,603	94,075
Prepayments and accrued income	349,834	218,484
	650,981	440,477

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	293,563	393,732
Other taxation and social security	-	135,363
Other creditors	5,810	133,801
Accruals and deferred income	404,151	139,725
	703,524	802,621

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	68,819	46,195
	<u>68,819</u>	<u>46,195</u>
Deferred income at 1 September 2021	46,195	61,198
Released from previous years	(46,195)	(61,198)
Resources deferred in the year	68,819	46,195
	<u>68,819</u>	<u>46,195</u>
Deferred income at 31 August 2022	68,819	46,195

Deferred income includes SEN, Early Years, UIFSM and FSM & H&S Levy received in advance of 2022/23 academic year.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	1,119,768	6,340,155	(6,247,584)	(130,063)	1,082,276
UIFSM	-	67,948	(67,948)	-	-
Pupil premium	-	908,052	(908,052)	-	-
Other DfE/ESFA COVID-19 funding	-	107,240	(107,240)	-	-
Other DfE/ESFA grants	-	13,200	(13,200)	-	-
Other government grants	-	2,282,887	(2,282,887)	-	-
Teachers pension	-	18,480	(18,480)	-	-
Teachers pay grant	-	6,540	(6,540)	-	-
PE and sports premium	-	88,610	(88,610)	-	-
Rates	-	24,274	(24,274)	-	-
National tutor grant	-	107,584	(107,584)	-	-
Supplementary grant	-	65,327	(65,327)	-	-
Pension reserve	(5,203,000)	-	(851,000)	5,752,000	(302,000)
	<u>(4,083,232)</u>	<u>10,030,297</u>	<u>(10,788,726)</u>	<u>5,621,937</u>	<u>780,276</u>
Restricted fixed asset funds					
Inherited on conversion	12,751,239	-	(335,373)	-	12,415,866
DfE group capital grants	593,877	333,576	(200,783)	-	726,670
Capital expenditure from GAG	1,142,100	-	(52,506)	130,063	1,219,657
Private sector capital sponsorship	85,797	-	(25,664)	-	60,133
	<u>14,573,013</u>	<u>333,576</u>	<u>(614,326)</u>	<u>130,063</u>	<u>14,422,326</u>
Total restricted funds	<u>10,489,781</u>	<u>10,363,873</u>	<u>(11,403,052)</u>	<u>5,752,000</u>	<u>15,202,602</u>
Unrestricted funds					
General funds	147,336	254,468	(222,760)	-	179,044
Total funds	<u>10,637,117</u>	<u>10,618,341</u>	<u>(11,625,812)</u>	<u>5,752,000</u>	<u>15,381,646</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

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.

Other DfE 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 2022 the academy had restricted general and unrestricted funds of £1,261,320.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Funds

(Continued)

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

	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	-	74,771	(74,771)	-	-
Pupil premium	-	847,769	(847,769)	-	-
Catch-up premium	-	104,480	(104,480)	-	-
Other DfE/ESFA COVID-19 funding	-	116,331	(116,331)	-	-
Other Coronavirus funding	-	30,289	(30,289)	-	-
Other DfE/ESFA grants	-	43,650	(43,650)	-	-
Other government grants	-	1,720,603	(1,720,603)	-	-
Teachers pension	-	197,001	(197,001)	-	-
Teachers pay grant	-	58,816	(58,816)	-	-
PE and sports premium	-	88,290	(88,290)	-	-
Rates	-	19,284	(19,284)	-	-
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 2022

17 Funds

(Continued)

Total funds analysis by academy

	2022 £	2021 £
Fund balances at 31 August 2022 were allocated as follows:		
Brambles Primary Academy	(70,727)	(75,975)
Discovery Special Academy	166,555	210,915
Dormanstown Primary Academy	554,511	558,400
Pennyman Primary Academy	518,084	482,481
Wilton Primary Academy	110,219	113,805
Central services	(17,322)	(22,522)
Total before fixed assets fund and pension reserve	1,261,320	1,267,104
Restricted fixed asset fund	14,422,326	14,573,013
Pension reserve	(302,000)	(5,203,000)
Total funds	15,381,646	10,637,117

Trustees approved for Brambles Primary Academy to utilise its reserves on a capital investment programme to install a fully functioning kitchen provision in 2021.

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 2022 £	Total 2021 £
Brambles Primary Academy	1,260,237	196,710	144,470	367,602	1,969,019	1,824,709
Discovery Special Academy	1,235,168	390,104	154,859	300,524	2,080,655	1,557,472
Dormanstown Primary Academy	1,316,207	265,806	101,166	297,236	1,980,415	1,866,291
Pennyman Primary Academy	2,023,739	331,252	153,692	596,651	3,105,334	2,822,605
Wilton Primary Academy	255,826	54,297	32,590	104,075	446,788	520,957
Central services	180,910	228,574	9,545	159,245	578,274	463,182
	6,272,087	1,466,743	596,322	1,825,333	10,160,486	9,055,216

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	14,292,489	14,292,489
Current assets	179,044	1,785,800	129,837	2,094,681
Current liabilities	-	(703,524)	-	(703,524)
Pension scheme liability	-	(302,000)	-	(302,000)
Total net assets	179,044	780,276	14,422,326	15,381,646
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
Current liabilities	-	(802,621)	-	(802,621)
Pension scheme liability	-	(5,203,000)	-	(5,203,000)
Total net assets	147,336	(4,083,232)	14,573,013	10,637,117

19 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 £nil were payable to the schemes at 31 August 2022 (2021: £127,074) 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 academy trusts. All teachers have the option to opt out of the TPS following enrolment.

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

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 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 2024.

The employer's pension costs paid to the TPS in the period amounted to £784,495 (2021: £766,739).

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 % 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	2022 £	2021 £
Employer's contributions	363,000	309,000
Employees' contributions	124,000	108,000
Total contributions	487,000	417,000

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	4.05	3.6
Rate of increase for pensions in payment/inflation	3.05	2.6
Discount rate for scheme liabilities	4.25	1.7
Inflation assumption (CPI)	3.05	2.6

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

	2022 Years	2021 Years
Retiring today		
- Males	21.7	21.9
- Females	23.5	23.6
Retiring in 20 years		
- Males	22.9	23.3
- Females	25.3	25.4

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

	2022 £	2021 £
Discount rate + 0.1%	7,314,000	11,261,000
Discount rate - 0.1%	7,696,000	11,897,000
Mortality assumption + 1 year	7,205,000	11,133,000
Mortality assumption - 1 year	7,805,000	12,013,000
CPI rate + 0.1%	7,678,000	11,839,000
CPI rate - 0.1%	7,332,000	11,318,000

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

	2022 Fair value £	2021 Fair value £
Equities	4,898,040	5,038,000
Cash	1,008,420	529,000
Property	1,296,540	465,000
Other assets	-	338,000
Total market value of assets	7,203,000	6,370,000

The actual return on scheme assets was £404,000 (2021: £1,094,000).

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2022 £	2021 £
Current service cost	1,119,000	823,000
Interest income	(112,000)	(87,000)
Interest cost	207,000	161,000
Total operating charge	1,214,000	897,000
Changes in the present value of defined benefit obligations	2022 £	2021 £
At 1 September 2021	11,573,000	9,472,000
Current service cost	1,119,000	823,000
Interest cost	207,000	161,000
Employee contributions	124,000	108,000
Actuarial (gain)/loss	(5,460,000)	1,129,000
Benefits paid	(58,000)	(120,000)
At 31 August 2022	7,505,000	11,573,000
Changes in the fair value of the academy trust's share of scheme assets	2022 £	2021 £
At 1 September 2021	6,370,000	4,979,000
Interest income	112,000	87,000
Actuarial gain	292,000	1,007,000
Employer contributions	363,000	309,000
Employee contributions	124,000	108,000
Benefits paid	(58,000)	(120,000)
At 31 August 2022	7,203,000	6,370,000

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

	Notes	2022 £	2021 £
Net expenditure for the reporting period (as per the statement of financial activities)		(1,007,471)	(706,355)
Adjusted for:			
Capital grants from DfE and other capital income		(333,576)	(238,950)
Investment income receivable	6	(439)	(389)
Defined benefit pension costs less contributions payable	19	756,000	514,000
Defined benefit pension scheme finance cost	19	95,000	74,000
Depreciation of tangible fixed assets		614,326	561,419
(Increase)/decrease in debtors		(210,504)	199,829
(Decrease) in creditors		(99,097)	(250,560)
Net cash (used in)/provided by operating activities		(185,761)	152,994

21 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	1,629,248	(185,548)	1,443,700

22 Long-term commitments

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	20,129	3,372
Amounts due in two and five years	26,216	1,512
	46,345	4,884

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23 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 the year end was £7,452.
- 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 Academy Trust 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'

Schools NorthEast - a business in which C Zarraga (Trustee) is a Director.

- During the year the academy trust obtained services from the company, the total cost to the trust during the year was £1,828.
- 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 fully complied with the requirements of the Academy Trust Handbook.

24 Post balance sheet events

One of the trust's academies, Discovery Special Academy, moved into new premises shortly after the year end. The premises have been constructed for the trust and funded by the ESFA. The value of the new buildings is approximately £11 million and they will be reflected in the financial statements in the next financial year.

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.