

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 2023

TEES VALLEY EDUCATION

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TEES VALLEY EDUCATION

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R Hodges
N Newell
A Smith
C Devereux
P J Swalwell (from 1/9/2023)

Trustees

R J Hodges
J A Brine (Resigned 30 March 2023)
K E Morley (CEO and Accounting Officer)
A T Taylor
P J Swalwell (Resigned 1 September 2023)
H D Dudiak
D C Jackson (Resigned 2 December 2022)
C P Zarraga
A Cowley
P Holbrook (Resigned 1 February 2023)
A M Dougherty (Appointed 2 February 2023)
S M Hague (Chair) (Appointed 2 May 2023)

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)	D Higgins (from January 2023)
- Head Teacher (Pennyman Primary)	L Stogdale (from January 2023)

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
Redcar

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 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 01 September 2022 to 31 August 2023. 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 1200 children across five Academies, located in Middlesbrough and Redcar and Cleveland local authority areas. Academies within the trust are:

- Brambles Primary Academy (2 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 1228 (as at 30 June 2023) children aged between 2 and 16 years on roll during 2022/23 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 2023

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 2022/23 all academy chairs remained consistent. The LAC Chair for Wilton (and trustee) resigned at the end of July 2023 from both position and became a Member in September 2023.

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 including mandatory training, where trustee are required to complete online training provided by NSPCC or National College. 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 2023

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 2022/23 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 2023

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.

During 2022/23 the further refined its mission and vision statements of:

Our mission is to deliver educational excellence for all of our children by fostering a culture of creativity, curiosity, care, courage and commitment.

Our vision is therefore 'to transform children's life chances'.

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 Diamond Standards were developed by children, staff and communities in 2018 and these are the values we all live by and celebrate. During 2022/23 the trust introduced a 5th C of Creativity. The C's represent the following:

- Commitment: To be dedicated, hard working and always try our best
- Courage: to be adventurous, bold and brave
- Curiosity: to be inquisitive, excited and explore
- Care: to be kind to ourselves, each other and our communities
- Creativity: to use our talents to imagine, innovate and inspire.

The trusts mission, vision and values are also underpinned by Aristotle's 'We are what we repeatedly do. Excellence, therefore, is not an act, but a habit.'

TVEd's whole community have demonstrated the Diamond Standards and are proud to announce that in 2022/23 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 Teesside University. All the nominees and overall winners received their medal and/or engraved glass trophies for each of the 5C's. The trust also celebrated these achievements in the trust's termly and end of year newsletters.

Tees Valley Education strategic objectives aligned to the trust's vision of transforming children's outcomes were to

- Improving pupil attendance to 96% to be inline with national benchmarks.
- Improved assessment for combined measure to achieve 59% and above at year 6.
- Trust reading outcomes to achieve 73% or above.
- Pastoral and welfare provision to support all children's physical and emotional welfare needs are met to enable their learning to take place
- Business, Industry and Enterprise Curriculum to enable children to develop the skills and knowledge required to succeed and drive economic developments in the 21st century throughout Teesside and beyond

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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, Forum Strategy, Schools North East, Chartered College of Teaching, Power of Women, Casper Shipping, Ormiston academies Maritime Futures, 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 2022/2023 and likely to continue into 2023/2024 due to the cost of living crisis. 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.

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 costs on the trust's communities it serves and its academies.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 continued in 2022/23 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:
 - AAA Roofing
 - Ladies of Steel at Redcar
 - Greggs Foundation
 - Family Foundation
 - FayreShare
 - Community School Clothing Scheme
 - Local Foodbanks
 - Middlesbrough Environment City – Affordable Warmth
 - Sainsburys (local stores)
 - Middlesbrough Football Club
 - Middlesbrough Borough Council
 - Redcar and Cleveland Borough Council
 - Mellors
 - The Teesside Charity
- In addition, the trust provides 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.
- The trust works collaboratively as a school improvement partner with Galileo Academy trust.
- 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 school
- 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 2023

Strategic report

Achievements and performance

The figures for this report are correct as of 29 September 2023.

Current Trust and Academy Statistics - Children

As at 30 June 2023 the trust supports a total of 1228 children from nursery to Year 7. Discovery Special Secondary Academy are increasing their cohort year on year, with year 7 joining in September 2022.

The trust serves and supports a range of complex vulnerabilities from high levels of SEND, pastoral and welfare and deprivation.

The current percentage of SEND across the trust is 29.4% which is above national average. This is made up of 20% with Education Health and Care Plans (EHCPs) and 9.4% of school support.

To compare TVED context nationally, the 'Income Affecting Children Index' (IDACI 2019) information evidences that 73% of the children in our school community live in the 5% of the most deprived Super Output areas nationally. 80% live in the most deprived 10%. The areas driving this overall figure are those of low incomes, poor education outcomes (mostly impacted on by secondary provision), low employment and very poor health outcomes. 64% of the children are supported by Pupil Premium Funding (2022/23) although all indicators show that this is rising rapidly.

Trust Academic Overview 2022/2023

The trusts strategic long-term aim is that more and more children, as a result of the research impacted provision linked to engaging children in curriculum design in areas of disadvantage, are able to reach a point where they keep up or even exceed. Therefore, the trust uses all accountability measures where necessary to ensure that schools have high expectations of what their pupils should achieve and intervene swiftly when this is not as high as should be expected.

• Early Years

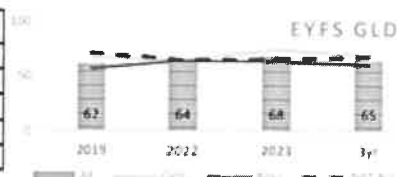
On entry to Nursery an average of 10% are at age related expectations which for the early years practitioners provides huge challenges in the delivery of the curriculum. Given the level of disadvantage it is not surprising that the starting points of the children are significantly below expectations, this has been exacerbated by hyperlocal contexts with reduced services and the impact from the pandemic on children whose early experience have been decimated in communities who struggle to engage.

• Mainstream Formal Pathway

Progress measures over the children's time in early years is excellent. From nursery entry to reception exit the average progress in the prime areas is 8 points and in the specific areas is 8.6 (expected progress is 6 points), which equates to excellent accelerated progress as a result of the provision the trust provides to all children.

The value added over the time the children are with us in early years significantly increases the number of children who are reaching age related expectations – word reading adds 58%, writing adds 55% and number adds 62%. This demonstrates that the curriculum offer, provision, environment and personalised nature of assessment for learning application in the learning areas is having a significant impact on the children's outcomes from their starting points.

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	130	62	115	64	130	68	375	65
Girls	61	67	48	65	59	75	168	69
Boys	69	57	67	64	71	63	207	61
Dis	74	51	81	60	76	64	231	59



Attainment over a three-year trend has been on an upward trajectory, with 68% achieving the GLD in 2023. This is in line with national benchmarks however given the context discussed and the progress outlined the trust believes that this is an outstanding outcome. In support of this is the 2023 outcome for disadvantage pupils following a three year upward trend.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievement and Performance

- SEND unit and Special academy Semi-formal Pathway

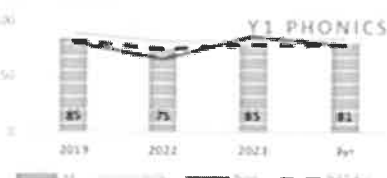
The core academic curriculum is based on the early year's foundation stage profile. This curriculum begins at 0 years and therefore all pupils joining the academy in reception are able to access this regardless of the age and stage. The EYFS curriculum follows the principles of play based, multi-sensory and exploratory learning. Activities in each area are informed by both baseline and continuous assessment and purposefully designed to teach the foundation skills needed to progress. As well as the EYFS curriculum, learning intentions may be taken from a range of therapeutic sources including but not limited to, sensory integration, speech and language, BLAST and physiotherapy.

Over a three-year period the gap between girls and boys has reduced so that they were in line in 2022, however in 2023 this has widened to a gap of 12%. The early years team has worked to refine the curriculum to support all children and improve further their assessment framework and application of this. Key milestone points support teachers with their formative and summative judgements that inform their planning and delivery. Regular network meetings and moderation events involving all practitioners have brought a greater level of consistency and assurances, led by the trusts Early Years lead.

- Phonics

The percentage of pupils achieving the expected standard in Year One Test is 85% in 2023. The 10% increase does return the trust to outcomes prior to covid and is above the current national expectation. The 2023 improvement is a direct result of all academies revisiting professional development for all staff in RWI (Read Write Inc) and targeted approach to accelerated progress in early reading.

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	123	85	120	75	118	85	361	81
Girls	56	89	67	82	52	83	175	85
Boys	67	81	53	66	66	86	186	78
Dis	74	81	76	72	78	81	228	78



The percentage of boys achieving in comparison to girls demonstrates an achievement gap of 4%, and this is why over the last eighteen months all the academies have invested time and resources into RWI led professional development for all the teaching and learning workforce.

Over a three-year period TVEd's disadvantage children out perform national disadvantage expectations by between 5 – 10%. As a result of the focused efforts the trust have implemented, the gap is closing to non-disadvantage 'other' which the trust is in line with in 2023.

- Mainstream – Early Years to Y1 Transition

At TVEd we firmly believe the guiding principle from EYFS continue into the statutory Year 1 curriculum and beyond. Alongside these principles, the characteristics of effective learning, that refer to the behaviours and dispositions required for a child to respond to their unfolding futures, are pivotal. Effective transition is a process not an event and needs to reflect the personalised assessment dialogue at the end of reception. To support this further the trusts innovative development of a curricular approach to the delivery of Year 1 to ensure the building blocks to learning were cemented in place. From 2022 the planning and teaching of the Year 1 curriculum meets the statutory requirements of the National Curriculum. Whilst the objectives taught a driven by the National Curriculum, the delivery is based on the successful practices from Early Years and the principals of early childhood development. Through a mixture of direct teaching and independent learning and application in learning zones, there is a full curriculum offer.

The impact of this has seen up to 20% rise in attainment from autumn term 2021 to July 2023 (Reading +21%, Writing +19%, Maths +16%). The soft evidence is that the children are more rounded in their development, increased levels of understanding and relating their learning, language and oracy levels are higher, increased independence and greater readiness for more formal approaches and readiness for the next stage of learning.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievement and Performance

• Key Stage One - Mainstream

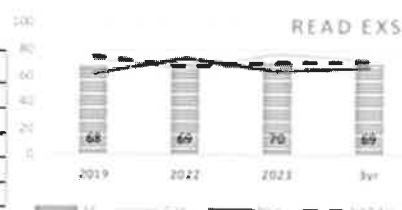
Progress scores are strong over the two years children spend in this key stage with an average of 8 points progress (6 points progress is expected). To add greater weight to this the value added from entry into Year One to exit from Year 2 is significant (20/21 – 21/22), making an attainment difference of +65%/+59%/+65% respectively for reading, writing and maths. The wider context to this is that, on return after Covid, the number of children in year one who were at the expected level was extremely low when benchmarked at the start of the year. The previous years missing the building blocks developed through their early years had created an academic challenge given that this is exacerbated by the disadvantage context of the communities.

• Reading

The percentage of children achieving the expected standard or above in 2023 is 70%, which maintains outcomes at the expected standard. In the 2023 cohort girls outperformed boys by 10% reversing previous year where it was the opposite. The implication here is that this is cohort specific. Overall the cohort is above the 2022 national average (NAT 67%).

Reading Expected Standard

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	121	68	114	69	124	70	359	69
Girls	64	73	54	65	64	77	182	72
Boys	57	61	60	73	60	63	177	66
Dis	62	65	82	65	82	66	226	65



The percentage of pupils achieving greater depth is 15%. The percentage achieving this has increased by 2% and is below the national 2022 expected standard (NAT 18%). This is an area of development.

Over a three-year period at the expected standard the disadvantage children out perform national disadvantage expectations by an average of 14%. As a result of the focused efforts the trust have implemented, the gap is closing to non-disadvantage 'other' with a current gap of 2%.

• Writing

In 2023 the percentage of children achieving the expected standard or above was 65%, which is above national average by 7%. The closing of the gap we saw last year between boys and girls has returned, currently 16%.

Writing Expected Standard

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	121	64	114	63	124	65	359	64
Girls	64	72	54	63	64	73	182	70
Boys	57	56	60	63	60	57	177	59
Dis	62	60	82	59	82	61	226	60



At the greater depth standard in 2023, 8% of children achieved this, which is in line with national averages (8%). This has decreased by 5% over a three-year period and is an area of development for the trust.

61% of the disadvantage children achieved the expected standard, which is well above the national disadvantage (41%). Disadvantaged children's performance is better than disadvantaged pupils nationally, and is in line with 'Other' pupils Nationally (63%). From the last external benchmark test in 2019 the trust has closed this as a result of the refinement in the teaching a learning approach and writing framework.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievement and Performance

• Maths

The percentage of children achieving the expected standard in 2023 was 73%, which broadly means the trust has maintained standards post covid. The percentage of girls achieving the expected standard or better is 77% and boys is 68%, so therefore there is an achievement gap of 9%. This is a reverse of previous years meaning that this is cohort specific and not a pattern.

Maths Expected Standard (EXS)

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	121	71	114	71	124	73	359	72
Girls	64	72	54	65	64	77	182	71
Boys	57	70	60	77	60	68	177	72
Dis	62	66	82	65	82	67	226	66



At the greater depth standard in 2023, 14% of the children achieved this, which is in line with national averages (15%). This has decreased by 3% over a three-year period and is an area of development for the trust.

67% of the disadvantage children achieved the expected standard which is 15% higher than the 2022 national average for disadvantage. In 2022 when compared with national 'other' at 73% there is a gap of 8% but this is closing, evidenced from a reduction by 7% from the gap in 2019.

• Multiplication Tables Check

The percentage of pupils achieving full marks (25/25) in the 'Year Four Multiplication Tables Test' is 35%. The percentage achieving the standard has increased by 11%. The percentage of boys achieving the standard is 29% and girls is 41%, so therefore there is an achievement gap of 12%. Overall this cohort is in line with the National average (NAT 33%).

The average score of pupils who took the Year Four Multiplication Tables Test is 21.9 (out of 25). The average score has increased by 1.8 and is above national (NAT 20.5).

• Key Stage 2 - Mainstream

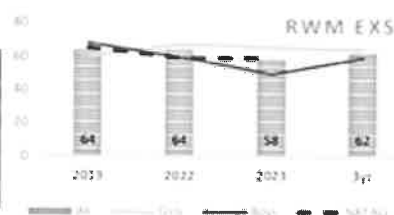
The progress scores from KS1 to KS2 in writing and maths demonstrate positive progress over a three-year trend. Reading progress score is now a positive score demonstrating increased impact over time.

• Reading/Writing/Mathematics Combined Measure

The percentage of children achieving the expected standards is either above or in line with national expectations over a three-year trend. Overall the 2023 cohort is in line with national average (NAT 59%). In 2023 the gap between girls and boys grew considerably to 16% and the trust has taken immediate action to respond and make significant impact.

RWM Expected Standard (EXS)

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	121	64	127	64	121	58	369	62
Girls	65	60	70	67	66	65	201	64
Boys	56	68	57	60	55	49	168	59
Dis	82	61	96	58	84	55	262	58



TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievement and Performance

The percentage of children working at greater depth in 2023 was 7%, which is in line with national averages (7%). There is an average gap of 3% between boys and girls over a three-year period, but this is cohort specific as which group is the higher achieving group.

55% of the disadvantage children achieved the combined measure, which is 12% better than Disadvantaged pupils Nationally, but still below 'Other' pupils Nationally. This is a three-year trend where TVED children are higher than national averages for disadvantage. The SEND pupils have significantly fallen in 2023 in this area.

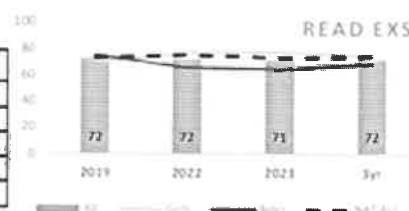
In 2023 there has been too much variance between academies which has impacted outcomes and trends, meaning that any meaningful analysis is challenging. There has been considerable work to understand the reasons behind this and therefore take robust action moving forward.

• Reading

In 2023 the percentage of children achieving the expected standard or above was 71%, which maintains a three year trend. As a direct result of the internal challenge amongst leaders, the trust knew they needed to review and amend the approach to impact further on outcomes. This is why leaders researched and refined the approach for 22/23 implementation to the teaching of reading so that it had greater emphasis on the depth of text interrogation, comprehension and application of skills to similar texts. This has translated to outcomes in two of our academies but there is too much variance across the other two which is why this continues to be an area of development in 23/24. The percentage of boys achieving the expected standard or better is 64% and girls is 77%, so therefore there is an achievement gap of 14%.

Reading Expected Standard

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	121	72	127	72	121	71	369	72
Girls	65	69	70	77	66	77	201	75
Boys	56	75	57	65	55	64	168	68
Dis	82	67	96	68	84	67	262	67



The percentage of pupils working at greater depth is 18% which has decreased by 5%. Girls are out performing boys by an average of 14% over a three-year period.

67% of disadvantaged pupils achieved the expected standard which is above national disadvantaged is 62%. Whilst the trust knows its disadvantaged pupils performance is similar or better than disadvantaged pupils Nationally, it still below 'Other' pupils Nationally at 80%.

• Writing

79% of the children achieved the expected standard in 2023 which is above the national average (71%). Over a three-year period TVED are either above or in line. In 2023 there was an 17% gap with girls outperforming boys. The implementation of the refined writing framework, and the direct links with the reading framework, from September 2022 has enabled a greater level of consistency across the trust and the sharing of excellent practice.

Over a three-year period, the gap at the greater depth standard to national averages has reduced so that in 2023 the achievement was in line with national averages (13%).

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

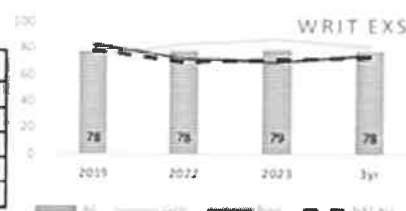
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievement and Performance

Writing Expected Standard (EXS)

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	121	78	127	78	121	79	369	78
Girls	65	74	70	83	66	86	201	81
Boys	56	82	57	72	55	69	168	74
Dis	82	77	96	74	84	74	262	75



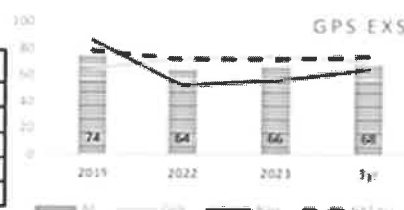
In 2023 74% of the disadvantage children achieved the expected standard which is 19% above the national disadvantage (55%). This is also in line with national 'other' (75%). Over a three-year period, the trust has continually outperformed national disadvantage at both expected and greater depth standard.

• GPS

The percentage of children achieving the expected standard or above in 2023 was 66% which has risen by 2% on the previous year but is below national average (72%). The achievement gap between girls and boys has reduced from 20% to 11%, however there remains a gap that the trust will tackle.

GPS Expected Standard (EXS)

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	121	74	127	64	121	66	369	68
Girls	65	65	70	73	66	74	201	71
Boys	56	86	57	53	55	56	168	65
Dis	82	72	96	58	84	63	262	64

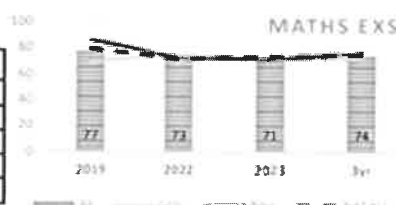


• Maths

71% of children achieved the expected standard or above in 2023, which is in line with national averages. Over a three-year period, this has declined but it remains close or above national averages. To support greater impact the trust has refined the maths framework which was implemented from January 2023.

Maths Expected Standard (EXS)

	2019		2022		2023		3 yr Avg.	
	Pupils	%	Pupils	%	Pupils	%	Pupils	%
All	121	77	127	73	121	71	369	74
Girls	65	69	70	74	66	71	201	72
Boys	56	86	57	72	55	71	168	76
Dis	82	77	96	68	84	67	262	70



The percentage of pupils working at greater depth is 18%. The percentage achieving greater depth has decreased by 2%. The percentage of boys achieving greater depth is 13% and girls is 23%, so therefore there is an achievement gap of 11%.

67% of the disadvantage pupils achieved the expected standard which is 11% higher than national average (56%).

From children's starting points and the challenges TVED school communities have faced in the last three years, the trust considers 2023 attainment figures to represent good progress from starting points. Nevertheless, the trust is relentless in the pursuit of the best outcomes possible for all TVED children and continue to work at ensuring as many of the children leave us with the skills they need in order to thrive in their next stage in education. This is not to say that the trust are not aware of the areas identified that need improving and the trust improvement team are focused on this.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievement and Performance

- SEND Unit and Special academy - Semi-Formal Pathway

Progress data demonstrates a positive picture over time given the SEND needs of this group of children. This is measured from their highly personalised targets at the start of the year, generated through CASPA which takes into account their age and SEND need using a national data base. It is highly challenging to compare progress against robust comparative data for pupils in both special and unit provision so utilising CASPA has allowed us to be far more intuitive and intelligently use data for children who are working significantly below age related expectations. The principles of the school improvement cycle are then equally applied to this group of children and the expectations within their cognitive abilities. The targets are generated and then monitored through PIVATs so that small steps in achievements can be recognised and monitored.

Attainment in the core areas, over time, demonstrates that TVED continue to maintain a high level of achievement for all the children following a semi-formal pathway with an average of 83% in all core areas. There is a direct correlation to the excellent curriculum offer, that reflects either special or unit provision, whether they follow the special school curriculum offer or the adapted mainstream curriculum offer.

For reading, the gap between girls to boys has closed. 82% of the disadvantage children achieved their personalised target which demonstrates good progress from the previous year. In writing attainment continues to be maintained at a high standard however there is a 7% gap between boys and girls. In Maths there is a gap of 7% to girls, this directly links to their reading and comprehension abilities when applying their learning. As a result, TVED have reviewed the semiformal maths curriculum for using and applying which had a specific moderation focus supporting staff with assessment intelligence and is a result of the impact of the trusts actions.

- Special Academy - Informal Pathway

Learning intentions are taken from a range of sources including, but not limited to, EHCP, MAPP learning intentions, the Engagement Model, speech and language programmes, Autism Education Trust Framework and sensory integration programmes. These are pupils who are working consistently and over time at pre-key stage and lower levels in all aspects of communication and cognition because of their needs. To make the progress they do, they access good or outstanding, appropriately differentiated, 'quality first' teaching and targeted interventions (learning, therapeutic, physical and communication).

In order to report on the progress of the informally taught children, due to the highly personalised nature of this and the fact that it is not a linear journey, the trust take a case study approach to make it meaningful and demonstrate impact. These are individually monitored and challenged by leaders. Anonymised examples are presented to Trustees and Challenge Board demonstrating impact.

- Trust Improvement

TVED improvement cycle is based in a set of core principles, co-designed and upheld by all leaders. This model is based in current research (EEF Implementation Model) and underpins the trusts key strategic documentation – self-evaluation, raising achievement documentation and risk register. This is reviewed termly and taken to challenge board for accountability, reporting, challenge and support.

This has ensured transparency and an understanding of the principles and processes that surround, and grow, the strong framework of improvement. This in turn has given all leaders an understanding of their collective commitment and responsibility in the wider trust picture, how established systems work together and how each jigsaw piece fits together to provide the granular detail. By being transparent the trust oversees and delivers on scalable academy improvement in TVED's organisational model and builds capacity, capability and ensure sustainability. In the drive for excellence, the trust builds a picture by gaining greater wisdom through the systemisation of school improvement at scale. TVED approach therefore allows us to have a collective efficacy and responsibility based in a shared language and trust improvement lever.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievement and Performance

The phased approach, dependant on evaluations intelligence, to trust and academy improvement is essential and the intent is that all the trust academies, are on a pathway of improvement. Accurate self-evaluation leads to a precise improvement plan that therefore has the best chance of success.

In order to provide the granular detail that informs trust improvement it is essential that there is a robust cyclic academy improvement strategy that is consistent in its principles, delivery and lived experience. TVED's continuous improvement process is applied in all settings, regardless of age, phase and stage, and is the bedrock that underpins trust improvement.

TVED assessment process is well developed and provides accurate information at trust and academy level. The information can stand alone however the intelligent use of this assessment information means that there is a symbiotic relationship, that works both up to trust and down to academy. This translation of the intelligence means that as one organisation the trust is able to effectively deploy support and resources so that it impacts outcomes for all children, regardless of which curriculum pathway they follow.

The foundations on which TVED success is built is the relentless approach to planning for progress for all children, underpinned by rigorous assessment for learning. Whilst this is strong, and was essential following the return to full time education after COVID, the trust know that in order to thrive the trusts actions need to improve and refine this further.

In addition to the statutory requirements, the trust has four internal summative assessments to ensure timely assessment points, supporting the monitoring of outcomes and identifying next steps in learning and planning for progress at individual, group, cohort, academy and trust level. These are followed up by trust moderation utilising trust expertise who are trained moderators in order to quality assure academy judgements. This is also used as an opportunity to support the development of future leaders. In the vast majority of cases, summative assessments are accurate and targets are within expected parameters to demonstrate accuracy and assurances. Should this vary there is clear leadership dialogue to challenge and support.

Quality assurance for systems, processes and impact forms part of the trust improvement cycle, carried out by the trust improvement team and overseen by the Director of Trust Improvement & Standards. This is reported termly to Standards Committee for scrutiny and challenge. This is carried out to a good level but the trust is ambitious for more and will be further strengthened and sharper throughout 23/24 following variances in outcomes at the end of 22/23 across academies.

The impact of the work goes beyond TVED, evidenced by the system led impact of the trust improvement team. The trust provides a school improvement service to a ten strong MAT based on a collaboration and developmental model. TVED run a SENDCo mentoring scheme sharing and developing expertise in the Tees Valley. Additionally, the trust run the SEND reviews for Middlesbrough LA quality assuring settings and developing provisions for children across the borough. Social justice, equity, inclusion and its impact on outcomes is a further area of expertise where TVED's influence is both regionally and nationally.

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievement and Performance

Trust Areas of Development for 2023/24

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

- Continue to improve GLD outcomes in Early Years to meet national averages
- Develop provision for two-year-old
- Continue to refine and further develop the Year 1 approach following staffing changes for 23/24
- Strategic staffing decisions to ensure we maintain developments and improvements in Early Years
- Progress through Assessment for Learning strengthening so that it is secure practice for all
- Increase combined measure so that it is above national benchmark and incrementally increases thereafter.
- Outcomes for Y5 cohort 2023, linked to a five-term development plan to support improvements in Y6 outcomes
- Development of Y9 Secondary curriculum in preparation for our first cohort in 2024/25
- Implement a TVED Early Career Teacher program
- Focus on improvement – KS2 Reading, Boys outcomes, GDS, KS2 value added
- Subject leadership expertise and application across KS1 and KS2
- Quality assurance refinement for the school improvement model
- Foundation Subjects refinement of assessment

Safeguarding

TVED commitment is to safe children, safe people and safe premises and places. To fulfil this commitment, comprehensive safeguarding and child protection systems are in place in line with the DfE statutory guidance, e.g Keeping Children Safe in Education (KCSIE) and DfE statutory guidance Working Together to Safeguard Children 2018. All academies and the trust are compliant with all safeguarding policies, expectations and legislation.

A detailed overview of the commitment can be found in the Safeguarding Statement.

As a trust we have strong culture of ensuring all the school communities are safe and it expects all staff and volunteers to share this culture and commitment. The trust believes that the child's safety and welfare is always of paramount importance, and that all children have a right to be protected from abuse regardless of their age, gender, disability, culture, language, racial origin, religious belief or sexual identity.

The trust recognises its responsibility to safeguard the welfare of all its children by protecting them from emotional, sexual or physical harm and from neglect or bullying. Every member of staff has a collective responsibility and they are supported in this through safeguarding and child protection awareness training. All suspicions and allegations of abuse will be taken seriously and responded to swiftly and appropriately in accordance with Tees Valley Education MATs Child Protection Policy and Safeguarding Policy (Trust Safeguarding policy 2023 24).

At a Board and trustee level, the Trust Safeguarding Lead, Directors and CEO report relevant Safeguarding items to the relevant committee. Leaders routinely report to trustees via Challenge Boards. Effective use of MIS enables the Trust Safeguarding Lead to have full oversight of academy level intelligence and report through a trust lens.

Although trustees have ultimate responsibility for safeguarding, operationally it is overseen by the trust Safeguarding Lead who works alongside the Designated Safeguarding Leads within each trust academy and holds termly safeguarding, pastoral and welfare meetings. Every academy has Designated Safeguarding Leads and Deputy Designated Safeguarding Leads who take lead responsibility for safeguarding and child protection within their own academy. They are clear about their role, have sufficient time, resources and receive relevant support and training to carry out their duties.

Assurances of policy and practice in each academy are audited yearly, biannually through alternate years of external scrutiny and internal audit. To support further, each academy has brokered external clinical one to one supervision as an offer to DSL's and DDSL's as a means of external support. This provides assurances to the trust that their wellbeing is being supported due to the high caseloads of safeguarding and child protection each academy manages. Separate to this, for specific pupil case-level supervision, there is a graduated approach whereby DSLs and DDSLs can approach the Trust Safeguarding Lead, the Director of SEND & Inclusion and finally the LAs Designated Social Care Officer (DSCO).

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report

Achievement and Performance

Social Justice & Equity

Recent research states that the area of Teesside now have among has the highest rates of child poverty of anywhere in the country and show that the North East has overtaken London and other parts of the country in rates of child poverty (End Child Poverty 2022; Round and Longlands 2020). Further contextual weighting from the Joseph Rowntree Foundation (2020) stated that Middlesbrough was identified as being the area of most destitution in the UK. This is the reality for the vast majority of children, families and communities and one of the key drivers to the work of the trust.

To find out what this means at TVED: Social Justice & Equity

TVED recognise the lived reality for the communities, the challenges they face and the trust responsibility to do all we can to support change and impact outcomes. To this end the trust employed a Deputy Director of Research, Development and Innovation whose PhD and passion is to research and develop key levers of change around social justice and equity. In support of this a current research project supported by a successful 'Shine' bid, being implemented within two of the trusts academies, will engage and amplify the voice of children and families in a curriculum toolkit that takes into account the challenges faced from low-income families.

Additionally, TVED in collaboration with a range of national contributors, are publishing a book based in the extensive research and tried and tested practice on social justice and equity through a global publisher which the trust hopes will influence practice and impact children internationally.

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 2023

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.

Four of the five academy buildings, are leased from local authorities or DfE on a peppercorn rent 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 2022/2023.

During the year ending 31st August 2023, total expenditure of £11.7m was 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 £300,000.

At 31st August 2023, the net book value of tangible fixed assets was £23.4m. 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 2023 was £1,096,930.

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

The trust has maintained a healthy reserve during 2022/2023. 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 enhancement of the fencing around Discovery Special Academy, installing a modular building to education Discovery's 2 to 4 year old provision, installing a new state of the art out door area for the Early Years Foundation Stage children and replacing dated IT equipment. Furthermore, the Trust's academies received additional capital grant that was utilised to install LED lighting to save on energy. The Trust applied the nationally agreed NJC pay award (£1925 on scales 2 to 42 and 3.88% on scales 43 and above) in April 2023.

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 2023. The budget reserves during 2022/2023 have been factored in to continue to support Discovery Special Academy during its period of growth as a secondary school and to support with a free school application. The trust will also continue to support investment in 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 2022/2023 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 £1.097m at 31st August 2023.

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 2023

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 based on national benchmarking data
- Discovery Special Academy build and migration: temporary accommodation and the building of the secondary school by January 2025.
- Improving attendance of all children to be inline with national benchmarks

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 building the secondary school and working across two sites (one being temporary) until the secondary school receives planning permission and is built by January 2025.
- Children's outcomes based on national benchmarking data
- Improving attendance of all children to be inline with national benchmarks

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 is 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 2023-2024 the trust is strategically committed to the following priorities:

- Improve assessment for combined measures to achieve incrementally to 70% and improve outcomes for 2025 cohort so improvements support the development of the combined measure. (Quality of education)
- Improve reading outcomes to achieve National 73% and incrementally in following years (Quality of education)
- Improved pupil attendance to 96% in line with national benchmarks

TEES VALLEY EDUCATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 14 December 2023 and signed on its behalf by:



S M Hague
Chair

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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	4	4
J A Brine (Resigned 30 March 2023)	2	3
K E Morley (CEO and Accounting Officer)	4	4
A T Taylor	3	4
P J Swalwell (Resigned 1 September 2023)	1	4
H D Dudiak	3	4
D C Jackson (Resigned 2 December 2022)	1	1
C P Zarraga	3	4
A Cowley	4	4
P Holbrook (Resigned 1 February 2023)	2	2
A M Dougherty (Appointed 2 February 2023)	2	2
S M Hague (Chair) (Appointed 2 May 2023)	1	1

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

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 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. Due to the changes in the board during 2022/23 a further governance review will be considered in 2023/24 following the appointment of a new chair and an external governance professional. 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 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.

During the year P Swalwell resigned in August 2023. Attendance at the Audit, Risk and Finance meetings was as follows in the year 2022/23:

Trustee	Meetings attended	Out of possible
R Hodges (Chair)	3	3
K Morley (CEO and Accounting Officer)	3	3
P Swalwell (resigned August 2023)	-	3
C Zarraga	1	3
A Cowley	3	3

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

During the year D Jackson resigned December 2023 and P Holbrook resigned February 2023 and A Dougherty joined in February 2023. Attendance at Standards Committee meetings in the year 2022/2023 was as follows:

Trustee	Meetings attended	Out of possible
H. Dudiak	3	3
H Dougherty (joined February 2023)	2	2
K Morley (CEO and Accounting Officer)	2	3
A Taylor	3	3
P Holbrook (resigned February 2023)	1	1

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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
- Investment in technology i.e. an ipad for every child to use in school
- Investment in academy estates e.g. energy efficiency technologies (LED lighting) and land/building improvements as per the condition improvement surveys e.g. repointing, fascia replacement and development of outdoor spaces

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 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and Audit, Risk and Finance Subcommittee.

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

Section 3 of the Academies Trust Handbook 2022 covers the processes required of academies and their provision of internal scrutiny by conducting checks to ensure that their systems are effective and compliant.

The Board of Trustees has recommissioned Clive Owen LLP to undertake the trust's internal audit assurance, during summer 2023 for a further 3 years.

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

The Board met and agreed the programme of internal assurance work to be carried out for the 2022-23 academic year, spaced out over 3 separate 1-day visits, before further discussions around the selection of areas to be scrutinised were undertaken with Director of Finance, Operations and Resources in the Spring Term 2023. The areas for review included:

- Payroll
- Procurement and
- Trust and academy income collection procedures

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 Internal Assurance work took place in accordance with the agreed plan mainly at the central offices of Tees Valley Education Multi Academy Trust based at Pennyman Primary Academy, but brief visits were also undertaken at the other trust academies between January and August 2023.

Internal Audit Conclusion

From the Internal Scrutiny work undertaken throughout the academic year 2022-23 there is suitable monitoring of risk areas, with the trust confirming that recommendations made, as at 31 August 2023, have either been fully completed or are in the process of being implemented to improve the controls already in place based on responses received from the client.

TEES VALLEY EDUCATION

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Internal Audit Conclusion continued

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 2022 to 31 March 2023. Azets Audit Services completed this audit during August 2023 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 and fire risk assessment reviews during 2022/23 were undertaken by the trust's responsible officer at Redcar and Cleveland Borough Council. From the audits and reviews the audits identified strong controls in place for all academies with minor recommendations which have been addressed.

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.

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/NFI '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 14 December 2023 and signed on its behalf by:



K E Morley

CEO and Accounting Officer

TEES VALLEY EDUCATION

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2023

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, including for estates safety and management, 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 2022, including responsibilities for estates safety and management.

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 2022.

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



K E Morley
Accounting Officer

14 December 2023

TEES VALLEY EDUCATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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:

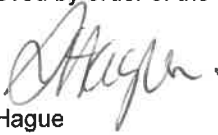
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 14 December 2023 and signed on its behalf by:


S M Hague
Chair

TEES VALLEY EDUCATION

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

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Tees Valley Education for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the 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.

Emphasis of matter - LGPS disclosure

We draw your attention to note 2 to the financial statements which describes how the LGPS balance has been accounted for. Our opinion is not modified in respect of this matter.

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 2023

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 2023

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

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

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

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

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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

A further description of our responsibilities 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 2023

Use of our report

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

Azets Audit Services

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

14/12/2023

.....

Statutory Auditor

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 2023

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

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

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of internal 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, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services

Dated:14/12/2023.....

TEES VALLEY EDUCATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and capital grants	3	1,602	-	9,447,474	9,449,076	334,747
Charitable activities:						
- Funding for educational operations	4	54,071	11,706,645	-	11,760,716	10,149,461
Other trading activities	5	219,517	-	-	219,517	133,694
Investments	6	6,498	-	-	6,498	439
Total		281,688	11,706,645	9,447,474	21,435,807	10,618,341
Expenditure on:						
Raising funds	7	217,984	7,598	-	225,582	115,674
Charitable activities:						
- Educational operations	9	54,071	11,617,720	830,504	12,502,295	11,510,138
Total	7	272,055	11,625,318	830,504	12,727,877	11,625,812
Net income/(expenditure)		9,633	81,327	8,616,970	8,707,930	(1,007,471)
Transfers between funds	17	-	(464,350)	464,350	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	1,645,000	-	1,645,000	5,752,000
Pension asset not recognised	19	-	(1,134,000)	-	(1,134,000)	-
Net movement in funds		9,633	127,977	9,081,320	9,218,930	4,744,529
Reconciliation of funds						
Total funds brought forward		179,044	780,276	14,422,326	15,381,646	10,637,117
Total funds carried forward		188,677	908,253	23,503,646	24,600,576	15,381,646

TEES VALLEY EDUCATION

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

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022		Unrestricted funds	Restricted funds:		Total 2022
	Notes	£	General £	Fixed asset £	£
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 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

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		23,407,490		14,292,489
Current assets					
Debtors	14	550,264		650,981	
Cash at bank and in hand		1,576,230		1,443,700	
		2,126,494		2,094,681	
Current liabilities					
Creditors: amounts falling due within one year	15	(933,408)		(703,524)	
Net current assets			1,193,086		1,391,157
Net assets excluding pension liability			24,600,576		15,683,646
Defined benefit pension scheme liability	19		-		(302,000)
Total net assets			24,600,576		15,381,646
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			23,503,646		14,422,326
- Restricted income funds			908,253		1,082,276
- Pension reserve			-		(302,000)
Total restricted funds			24,411,899		15,202,602
Unrestricted income funds	17		188,677		179,044
Total funds			24,600,576		15,381,646

The accounts on pages 35 to 61 were approved by the trustees and authorised for issue on 14 December 2023 and are signed on their behalf by:


S M Hague
Chair

Company registration number 09630999 (England and Wales)

TEES VALLEY EDUCATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	20		624,063		(185,761)
Cash flows from investing activities					
Dividends, interest and rents from investments		6,498		439	
Capital grants from DfE Group		135,583		34,672	
Capital funding received from sponsors and others		-		298,904	
Purchase of tangible fixed assets		(642,609)		(333,802)	
Proceeds from sale of tangible fixed assets		8,995		-	
Net cash (used in)/provided by investing activities			(491,533)		213
Net increase/(decrease) in cash and cash equivalents in the reporting period			132,530		(185,548)
Cash and cash equivalents at beginning of the year			1,443,700		1,629,248
Cash and cash equivalents at end of the year			1,576,230		1,443,700

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the 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 2022 to 2023 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 2023

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 2023

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
Freehold land	not depreciated
Leasehold buildings	30 and 50 years
Leasehold improvements	30 and 50 years
Computer equipment	4 years
Fixtures, fittings & equipment	10 years

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

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 2023

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 2023

2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The UK corporate bond yields at 31 August 2023 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the Academy Trust and the valuation has been based on the following estimates:

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

There is no known intention to exit the LGPS and therefore the economic benefit of a refund would be highly unlikely and on that basis recognition of an asset is considered inappropriate. We have however considered the economic benefit available to the Academy Trust as a future contribution reduction and whether it is appropriate to recognise the net asset in full. Under FRS 102, a net asset restriction may apply as the prevailing view is that a minimum funding requirement for future service exists in the LGPS. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have restricted the asset to £nil based upon an asset restriction calculation. We consider this to be appropriate and a more accurate reflection of the pension positions as at 31 August 2023.

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.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Donated fixed assets	-	9,311,891	9,311,891	-
Capital grants	-	135,583	135,583	333,576
Other donations	1,602	-	1,602	1,171
	<u>1,602</u>	<u>9,447,474</u>	<u>9,449,076</u>	<u>334,747</u>

During the year, Discovery Special Academy was donated assets of £9,031,891, being land of £410,000, buildings of £8,498,682, computer equipment of £25,809 and fixtures and fittings of £97,400.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

4 Funding for the academy trust's educational operations

Educational operations	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	6,726,820	6,726,820	6,340,155
Other DfE/ESFA grants:				
- UIFSM	-	84,942	84,942	67,948
- Pupil premium	-	943,072	943,072	908,052
- PE and sports premium	-	82,120	82,120	88,610
- Rates	-	25,430	25,430	24,274
- Teachers pension	-	11,549	11,549	18,480
- Teachers pay grant	-	4,087	4,087	6,540
- National tutor grant	-	116,378	116,378	107,584
- Supplementary grant	-	156,785	156,785	65,327
- Mainstream schools additional grant	-	78,600	78,600	-
- Others	-	10,799	10,799	13,200
	-	8,240,582	8,240,582	7,640,170
Other government grants				
Local authority grants	-	3,333,321	3,333,321	2,282,887
Special educational projects	-	4,175	4,175	-
	-	3,337,496	3,337,496	2,282,887
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	128,567	128,567	107,240
Other incoming resources	25,197	-	25,197	91,168
Total funding for educational operations	25,197	11,706,645	11,731,842	10,121,465
Catering income	28,874	-	28,874	27,996
Total funding	54,071	11,706,645	11,760,716	10,149,461

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Catering income	2,284	-	2,284	1,363
Uniform	250	-	250	1,067
Trips	21,949	-	21,949	23,857
Other income	195,034	-	195,034	107,407
	<u>219,517</u>	<u>-</u>	<u>219,517</u>	<u>133,694</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	6,498	-	6,498	439

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2023 £	Total 2022 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	95,202	-	130,380	225,582	115,674
Academy's educational operations					
- Direct costs	6,940,703	-	857,318	7,798,021	6,920,650
- Allocated support costs	1,806,873	1,964,685	932,716	4,704,274	4,589,488
	<u>8,842,778</u>	<u>1,964,685</u>	<u>1,920,414</u>	<u>12,727,877</u>	<u>11,625,812</u>

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	30,278	21,538
Depreciation of tangible fixed assets	830,504	614,326
Fees payable to auditor for:		
- Audit	14,900	10,500
- Other services	5,900	5,400
Net interest on defined benefit pension liability	16,000	95,000

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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% (2022: 8%)

The amounts charged during the year were as follows:

	2023 £	2022 £
Brambles Primary Academy	145,840	146,488
Discovery Special Academy	134,676	98,659
Dormanstown Primary Academy	111,359	116,776
Pennyman Primary Academy	168,542	171,111
Wilton Primary Academy	29,494	28,717
	<u>589,911</u>	<u>561,751</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Direct costs				
Educational operations	25,197	7,772,824	7,798,021	6,920,650
Support costs				
Educational operations	28,874	4,675,400	4,704,274	4,589,488
	<u>54,071</u>	<u>12,448,224</u>	<u>12,502,295</u>	<u>11,510,138</u>
			2023 £	2022 £
Analysis of support costs				
Support staff costs			1,806,873	2,095,240
Depreciation			830,504	614,326
Technology costs			78,778	86,446
Premises costs			1,134,181	853,103
Other support costs			836,563	920,848
Governance costs			17,375	19,525
			<u>4,704,274</u>	<u>4,589,488</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	6,271,511	5,595,066
Social security costs	595,129	542,802
Pension costs	1,482,499	1,913,224
Staff costs - employees	8,349,139	8,051,092
Agency staff costs	477,204	303,237
Staff restructuring costs	16,435	26,375
Staff development and other staff costs	8,842,778 96,448	8,380,704 110,655
Total staff expenditure	8,939,226	8,491,359

Staff restructuring costs comprise:

Redundancy payments	16,435	26,375
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Staff numbers

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

	2023 Number	2022 Number
Teachers	80	80
Administration and support	152	134
Management	11	10
	243	224

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	4	1
£70,001 - £80,000	3	3
£100,001 - £110,000	1	1

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

(Continued)

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 £948,855 (2022: £807,842).

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 (2022: £105,001 - £110,000)

Employer's pension contribution £25,001 - £30,000 (2022: £25,001 - £30,000)

During the year, travel and subsistence payments totalling £553 (2022: £1,490) were reimbursed or paid directly to two trustees (2022: three trustees).

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

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.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Leasehold improvements £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost						
At 1 September 2022	899,000	13,223,000	1,726,651	602,485	1,236,471	17,687,607
Additions	-	9,188,682	284,991	183,537	297,290	9,954,500
Disposals	-	-	-	(73,421)	(8,995)	(82,416)
At 31 August 2023	899,000	22,411,682	2,011,642	712,601	1,524,766	27,559,691
Depreciation						
At 1 September 2022	113,868	2,212,309	249,072	347,900	471,969	3,395,118
On disposals	-	-	-	(73,421)	-	(73,421)
Charge for the year	28,467	488,668	65,624	109,280	138,465	830,504
At 31 August 2023	142,335	2,700,977	314,696	383,759	610,434	4,152,201
Net book value						
At 31 August 2023	756,665	19,710,705	1,696,946	328,842	914,332	23,407,490
At 31 August 2022	785,132	11,010,691	1,477,579	254,585	764,502	14,292,489

14 Debtors

	2023 £	2022 £
Trade debtors	73,727	197,544
VAT recoverable	160,926	103,603
Prepayments and accrued income	315,611	349,834
	550,264	650,981

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	596,023	293,563
Other creditors	10,417	5,810
Accruals and deferred income	326,968	404,151
	933,408	703,524

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

16 Deferred income

	2023 £	2022 £
Deferred income is included within:		
Creditors due within one year	85,517	68,819
	<u>85,517</u>	<u>68,819</u>
Deferred income at 1 September 2022	68,819	46,195
Released from previous years	(68,819)	(46,195)
Resources deferred in the year	85,517	68,819
	<u>85,517</u>	<u>68,819</u>
Deferred income at 31 August 2023	85,517	68,819
	<u>85,517</u>	<u>68,819</u>

Deferred income includes SEN, Early Years, UIFSM and FSM & H&S Levy received in advance of 2023/24 academic year.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	1,082,276	6,726,820	(6,436,493)	(464,350)	908,253
UIFSM	-	84,942	(84,942)	-	-
Pupil premium	-	943,072	(943,072)	-	-
Other DfE/ESFA COVID-19 funding	-	128,567	(128,567)	-	-
Other DfE/ESFA grants	-	10,799	(10,799)	-	-
Other government grants	-	3,337,496	(3,337,496)	-	-
Teachers pension	-	11,549	(11,549)	-	-
Teachers pay grant	-	4,087	(4,087)	-	-
PE and sports premium	-	82,120	(82,120)	-	-
Rates	-	25,430	(25,430)	-	-
National tutor grant	-	116,378	(116,378)	-	-
Supplementary grant	-	156,785	(156,785)	-	-
Mainstream schools additional grant	-	78,600	(78,600)	-	-
Pension reserve	(302,000)	-	(209,000)	511,000	-
	<u>780,276</u>	<u>11,706,645</u>	<u>(11,625,318)</u>	<u>46,650</u>	<u>908,253</u>
Restricted fixed asset funds					
Inherited on conversion	12,415,866	-	(357,584)	-	12,058,282
DfE group capital grants	726,670	135,583	(214,080)	(15,067)	633,106
Capital expenditure from GAG	1,219,657	-	(55,983)	479,417	1,643,091
Donated assets	-	9,311,891	(175,494)	-	9,136,397
Private sector capital sponsorship	60,133	-	(27,363)	-	32,770
	<u>14,422,326</u>	<u>9,447,474</u>	<u>(830,504)</u>	<u>464,350</u>	<u>23,503,646</u>
Total restricted funds	<u>15,202,602</u>	<u>21,154,119</u>	<u>(12,455,822)</u>	<u>511,000</u>	<u>24,411,899</u>
Unrestricted funds					
General funds	<u>179,044</u>	<u>281,688</u>	<u>(272,055)</u>	<u>-</u>	<u>188,677</u>
Total funds	<u>15,381,646</u>	<u>21,435,807</u>	<u>(12,727,877)</u>	<u>511,000</u>	<u>24,600,576</u>

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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 2023.

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 in respect of Mentor backfill grant & Mental Health grant.

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 2023 the academy had restricted general and unrestricted funds of £1,096,930.

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

17 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
General Annual Grant (GAG)	1,119,768	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	<u>147,336</u>	<u>254,468</u>	<u>(222,760)</u>	<u>-</u>	<u>179,044</u>
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 2023

17 Funds

(Continued)

Total funds analysis by academy

	2023	2022
	£	£
Fund balances at 31 August 2023 were allocated as follows:		
Brambles Primary Academy	(101,258)	(70,727)
Discovery Special Academy	241,831	166,555
Dormanstown Primary Academy	482,048	554,511
Pennyman Primary Academy	430,743	518,084
Wilton Primary Academy	109,062	110,219
Central services	(65,496)	(17,322)
Total before fixed assets fund and pension reserve	1,096,930	1,261,320
Restricted fixed asset fund	23,503,646	14,422,326
Pension reserve	-	(302,000)
Total funds	24,600,576	15,381,646

Trustees approved in 2022/23 for the academies to access the reserves to offset the short term increase in energy costs and targeted school improvement work following the announcement of the Education Reform Bill 2022, 11/05/2022 and the Schools White Paper, 28/03/2023. Brambles reserves remain in a deficit position as a result of 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 2023	Total 2022
	£	£	£	£	£	£
Brambles Primary Academy	1,337,071	212,305	139,504	490,035	2,178,915	1,969,019
Discovery Special Academy	1,790,946	528,294	218,097	504,246	3,041,583	2,080,655
Dormanstown Primary Academy	1,348,979	308,489	90,112	320,304	2,067,884	1,980,415
Pennyman Primary Academy	1,977,535	353,609	251,322	609,771	3,192,237	3,105,334
Wilton Primary Academy	303,076	43,364	36,504	103,083	486,027	446,788
Central services	278,616	263,942	25,331	153,838	721,727	578,274
	7,036,223	1,710,003	760,870	2,181,277	11,688,373	10,160,485

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	23,407,490	23,407,490
Current assets	188,677	1,841,661	96,156	2,126,494
Current liabilities	-	(933,408)	-	(933,408)
Total net assets	188,677	908,253	23,503,646	24,600,576
	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

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 £96,136 were payable to the schemes at 31 August 2023 (2022: £nil) 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 2023

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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £855,552 (2022: £784,495).

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

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

Local Government Pension Scheme

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

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

Total contributions made	2023 £	2022 £
Employer's contributions	432,000	363,000
Employees' contributions	147,000	124,000
Total contributions	579,000	487,000

TEES VALLEY EDUCATION

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

19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	3.95	4.05
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	2.95	3.05

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

	2023 Years	2022 Years
Retiring today		
- Males	20.5	21.7
- Females	23.5	23.5
Retiring in 20 years		
- Males	21.3	22.9
- Females	25.0	25.3

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

	2023 £	2022 £
Discount rate + 0.1%	6,170,000	7,314,000
Discount rate - 0.1%	6,492,000	7,696,000
Mortality assumption + 1 year	6,078,000	7,205,000
Mortality assumption - 1 year	6,584,000	7,805,000
CPI rate + 0.1%	6,475,000	7,678,000
CPI rate - 0.1%	6,187,000	7,332,000

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

	2023 Fair value £	2022 Fair value £
Equities	5,449,450	4,898,040
Asset not recognised	(1,134,000)	-
Cash	298,600	1,008,420
Property	1,716,950	1,296,540
Total market value of assets	6,331,000	7,203,000

The actual return on scheme assets was £(247,000) (2022: £404,000).

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

19 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2023 £	2022 £
Current service cost	625,000	1,119,000
Interest income	(317,000)	(112,000)
Interest cost	333,000	207,000
Total operating charge	641,000	1,214,000

Changes in the present value of defined benefit obligations	2023 £	2022 £
At 1 September 2022	7,505,000	11,573,000
Current service cost	625,000	1,119,000
Interest cost	333,000	207,000
Employee contributions	147,000	124,000
Actuarial gain	(2,209,000)	(5,460,000)
Benefits paid	(70,000)	(58,000)
At 31 August 2023	6,331,000	7,505,000

Changes in the fair value of the academy trust's share of scheme assets

	2023 £	2022 £
At 1 September 2022	7,203,000	6,370,000
Interest income	317,000	112,000
Actuarial loss/(gain)	(564,000)	292,000
Employer contributions	432,000	363,000
Employee contributions	147,000	124,000
Benefits paid	(70,000)	(58,000)
Asset not recognised	(1,134,000)	-
At 31 August 2023	6,331,000	7,203,000

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

	Notes	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		8,707,930	(1,007,471)
Adjusted for:			
Capital grants from DfE and other capital income		(9,447,474)	(333,576)
Investment income receivable	6	(6,498)	(439)
Defined benefit pension costs less contributions payable	19	193,000	756,000
Defined benefit pension scheme finance cost	19	16,000	95,000
Depreciation of tangible fixed assets		830,504	614,326
Decrease/(increase) in debtors		100,717	(210,504)
Increase/(decrease) in creditors		229,884	(99,097)
Net cash provided by/(used in) operating activities		624,063	(185,761)

21 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	1,443,700	132,530	1,576,230

22 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	62,537	20,129
Amounts due in two and five years	164,876	26,216
	227,413	46,345

TEES VALLEY EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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) 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 £8,849 (2022: £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 fully complied with the requirements of the Academy Trust Handbook.
- 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 £2,453 (2022: £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 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.