

NEWCASTLE EAST MIXED MULTI ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements
for the Year Ended 31 August 2019



Newcastle East Mixed Multi Academy Trust

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Newcastle East Mixed Multi Academy Trust

Reference and Administrative Details

Members	The Diocesan Board of Education acting corporately by its Director, The Venerable P Robinson The Bishop of Newcastle, The Right Reverend C Hardman The Reverend Canon S Herbert PNH Smith The Chair of Directors, R Alston OBE
Trustees (Directors)	R Alston OBE, Chair D Bailey, Chief Executive Officer S Beharall N Brannen (appointed 26 October 2018) S Fooy N Iftkhar A Lister A McNall S Ormerod M White, Vice Chair
Company Secretary	S Hendey
Senior Management Team	D Bailey, Chief Executive Officer R Carr, Headteacher Benfield School (appointed 1 September 2018) D Day, Headteacher Central Walker Church of England Primary School (appointed 1 September 2018) F Kerr, Headteacher Central Walker Church of England Primary School (appointed 1 September 2018) S Gittins, Headteacher Tyneview Primary School N Draper, Headteacher West Walker Primary School A Young, Head of School Walkergate Community School C Turvill, Chief Operating and Financial Officer
Principal and Registered Office	Heaton Centre Trewitt Road Newcastle upon Tyne Tyne and Wear NE6 5DY
Company Name	Newcastle East Mixed Multi Academy Trust
Company Registration Number	10561094

Newcastle East Mixed Multi Academy Trust

Reference and Administrative Details (continued)

Auditors MHA Tait Walker
Chartered Accountants & Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Bankers Lloyds Bank plc
102 Grey Street
Newcastle upon Tyne
Tyne and Wear
NE1 8AG

Solicitors Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditor's reports of the Charitable Company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

Structure, Governance and Management

Constitution

The Academy Trust 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 Academy Trust. The Trustees of Newcastle East Mixed Multi Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Newcastle East Mixed Multi Academy Trust, which is often abbreviated to NEAT.

Details of the Trustees who served throughout the period 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

The Academy Trust has purchased insurance to protect Trustees and Governors from claims arising against negligent acts, errors or omissions occurring whilst on Trust or Academy business.

Method of Recruitment and Appointment or Election of Trustees

The term of office for any Trustee is four years, except for the Chief Executive Officer who is appointed by virtue of their position. Trustees remaining eligible may be re-appointed or re-elected. Trustees are appointed because of their skills and knowledge and how these will complement existing Board members. One Trustee is nominated by the Newcastle Diocesan Education Board as the Church Ethos Director. Similarly, Trustees appoint Local Governors for the contribution they can potentially make to the running of the Academies. The term of office for any Local Governor appointed by the Trustees, parents of the Academy or staff of the Academy is four years. The Academy Headteacher is appointed as a Local Governor by virtue of their position and any Local Governors co-opted by the Local Governing Committee have a term of office of one year.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new appointees depends on their existing experience. Where necessary training is provided on educational, legal and financial matters. All are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their respective roles. Throughout the year Trustees and Local Governors are offered trust-wide induction, training and workshops and there are also opportunities for bespoke training to meet specific needs. This is supplemented by briefings from specialist external providers e.g. safeguarding, Ofsted inspection. Governance support is provided in-house and there are opportunities for networking and sharing of good practice between individuals involved in different elements of the Trust's governance. Trustees and Local Governors also hold membership of the National Governance Association and are able to access their e-learning, conference and training programme.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Organisational Structure

The governance structure consists of: the Members, the Trustees and five Local Governing Committees (one for each Academy), all supported by professional Clerks. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels, which is supported by business services provided by the trust's Central Team.

The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for academic standards, financial management, assets and other resources and senior staff appointments. The Board was supported during the year by two main committees: Achievement and Climate for Learning Committee and Audit, Risk and Finance Committee.

Delegated authority and powers of decision-making in relation to the Board and its committees, including each Academy's own Local Governing Committee, are defined in the Trust's Scheme of Delegation, which determines which responsibilities reside at individual Academy level.

All staffing appointments in academies are made at Local Governing Committee level with the exception of headteachers and deputy headteachers, which are appointed by a panel established by the Trustees, and with an advisory role provided by the Newcastle Diocesan Education Board in the case of Central Walker Church of England Primary School.

Systems and procedures for financial management, HR and administration are undertaken at Academy level but supported and overseen by the Trust's Central Team comprising the Chief Operating and Financial Officer, Director of Business Services and Director of HR and Governance.

The Senior Leadership Team of each Academy includes the Headteacher, one or more Deputy Headteachers and where appropriate a number of Assistant Headteachers. The Middle Management of the Academies is centred on managers with Teaching and Learning Responsibilities (TLRs). These managers have delegated responsibility for the day-to day-operation of particular areas, departments or aspects of their Academy, in particular organising the teaching staff, facilities and students.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust's Chief Executive Officer was appointed to a spot salary decided by the Trustees, taking into account the nature of the post, the level of qualifications, skills and experience required, market conditions and the wider context of the Trust and/or the education system. The Trustees undertook a further review in 2018-19, which included the use of benchmarking data and agreed to implement new salary arrangements for the Chief Executive Officer from September 2019. The Trust's Chief Operating and Financial Officer is appointed to an appropriate grade within the Trust's terms and conditions for senior managers based on the application of the HAY job evaluation scheme. Pay progression or discretionary payments are determined by the Remuneration Committee on the basis of a successful annual appraisal demonstrating a sustained and high quality of performance and in which objectives relating to the Trust's leadership and management have been addressed.

Academy Headteachers are employed in accordance with the provisions of the prevailing School Teachers' Pay and Conditions Document (STPCD) and the Trust's Pay Policy. Progression for Headteachers is subject to a review of performance against objectives set in the annual appraisal review. The Remuneration Committee, based on recommendations made by the Chief Executive Officer, may decide to award one salary point for sustained high quality performance or exceptionally two salary points where there is scope within the individual's pay range to do so. Where performance has not been of a sustained high quality the Committee may decide that there should be no pay progression.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Trade Union Facility Time

Relevant Union Officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
N/A	N/A

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	N/A
1% - 50%	N/A
51% - 99%	N/A
100%	N/A

Percentage of pay bill spent on facility time

Total cost of facility time	£6,199
Total pay bill	£10,811,786
Percentage of the total pay bill spend on facility time	0.06%

Paid trade union activities

Total spend on paid trade union activities as a percentage of total paid facility time hours	N/A
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Related Parties and Other Connected Charities and Organisations

The Trust has a wholly owned Trading Subsidiary, NEAT Active Limited (the 'Company'), which provides PE and sport services to schools, as well as overseeing the community use of the Benfield Sports Centre and other school facilities when not in use by the School. The Company has its own Board of Directors, who regularly benchmark its strategies and services against market conditions.

One of the Academies is a Church of England school within the Diocese of Newcastle and the Trust works alongside the officers of the Diocese and the Newcastle Diocesan Education Board.

Objectives and Activities

Objects and Aims

The principal objective of the charitable company is the operation of its 5 academies to provide the very best education for its students.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Objectives, Strategies and Activities

The Academy Trust's main objectives are encompassed in its common purpose, values, vision and strategic aims.

Our Common Purpose

Our common purpose as a trust is to nurture, educate, achieve and transform. We recognise that we have a range of stakeholders to whom we are responsible:

- We believe our first responsibility is to our children, young people and their families to prepare our learners for the changing world by recognising and nurturing their uniqueness and providing the right environment to grow their potential, instil a love of learning, enable them to achieve and realise their dreams. Through our work with young people and their families we will develop learners who are resilient, aspirational, respectful, resourceful, creative and effective communicators.
- We recognise our responsibilities to our employees and volunteers. We will value their diversity and recognise their achievements. We will provide a safe and stimulating environment where staff are well led and managed, empowered to be innovative and have opportunities to develop professionally.
- We are responsible to the communities in which we work and recognise the need to adapt our approach to be locally relevant. We will ensure that our schools are safe and welcoming and that our classrooms and learning spaces are inspiring and stimulating and provide the best educational environments to meet the needs of our learners. Our schools will be an integral part of their local community and we will strive to nurture effective partnerships within each community.
- We are accountable to the Regional Schools Commissioner and the Education and Skills Funding Agency for ensuring that we educate our learners for public benefit and that we use all public money effectively, efficiently and ethically. We will experiment with new ideas and through innovation, respond flexibly to changing circumstances to ensure the sustainability of the trust and that we transform the life chances of our communities.

Our Values

Our values are the behaviours that will enable us to achieve our common purpose.

Aspirational - We aim high for ourselves and others.

- We encourage and empower all members of the trust community.
- We provide opportunities that inspire and motivate.
- We support and challenge others so they can do their best and achieve their potential.
- We remove barriers to success.

Collaborative - We are best when we work together as one trust.

- We share knowledge and best practice.
- We create and pursue common goals as one trust.
- We understand and value each others' roles and perspectives.
- We encourage and value all contributions.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Inclusive - We welcome and value every individual and foster a sense of belonging.

- We seek to understand people's differences.
- We enable everyone's voice to be heard.
- We adapt our approach to be relevant in our diverse community.
- We create a work and learning environment that enables everyone to succeed.

Innovative - We are creative and forward thinking in our work.

- We seek insight and opportunities to learn.
- We contribute and embrace new ideas.
- We enable new ideas to be tried out.
- We reflect and evaluate impact.

Responsible - We act professionally and ethically in the best interests of the trust community.

- We take responsibility for our actions.
- We hold ourselves and others to account.
- We learn from our successes and mistakes.
- We agree what is expected and deliver on our promises.
- We can demonstrate we make a difference.

Our Vision for 2018-2021:

We belong to an innovative, sustainable trust working collaboratively with partners to share our vision and values that enables all learners within our influence to be well prepared personally, socially and academically for the next stage of their lives in a changing world.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Our Strategic Aims:

Our three-year strategic plan for 2018-21 was developed with the involvement of directors, local governors, senior leaders and staff across the trust.

- Ensure all academies deliver a quality education leading to good outcomes for all learners.
- Embed an effective whole family approach to supporting welfare, attendance and attainment that has a positive impact on pupil outcomes.
- Ensure that the trust is well led, managed and governed to ensure continuous trust improvement.
- Ensure the trust is operationally effective and showing improvement in performance over time.
- Grow the trust to enable a broader and better educational experience.

Public Benefit

The charity's aims and achievements are set out within the report. The activities set out in the report have been undertaken to further the Charity's charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public guidance published by the Charities Commission and have paid due regard to this guidance in deciding activities that charity should undertake.

Strategic Report

The Trust operates 4 primary and one secondary school, all of which are located within a close proximity in the east end of Newcastle upon Tyne. Pupil numbers have grown from 2275 in October 2017 to 2350 in October 2018, primarily due to increasing numbers in our secondary school. All of our schools are currently judged as good by Ofsted.

One of our primary schools, Walkergate Community School is a designated Teaching School and the Trust has also been selected by the Education Endowment Foundation (EEF) and the Institute for Effective Education to be part of its network of research schools across the UK. Research schools develop a programme of support to ensure all schools in their area have access to evidence-based resources, training, and networks that make a difference in the classroom. They also work with schools to enable them to develop their own ways to improve teaching and learning and evaluate the impact of this.

The Trust operates in an area of high social deprivation. According to the Index of Multiple Deprivation, Walker ward is ranked as the most deprived ward in the North East of England and 32nd in terms of deprivation nationally. This is reflected in our pupil premium figures, which are more than double the national average.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Contextual Overview of NEAT schools during 2018/19

	Total No. Pupils	SEN EHCP %	SEN Support %	EAL %	Ever 6 FSM %	Deprivation %
Benfield	748	2.4	15.9	16.4	63.6	0.42
Nat Avg Secondary	978	1.7	10.8	16.9	27.7	0.20
Central Walker	399	1.5	16.4	23.0	71.4	0.54
Tyneview	285	2.4	11.5	7.0	46.3	0.43
Walkergate	685	0.6	16.0	3.9	49.1	0.42
West Walker	233	2.1	17.6	7.6	68.1	0.52
Nat Avg Primary	282	1.6	12.6	21.2	23	0.21

Achievements and Performance

The tables below provides a summary of some of the key attainment outcomes for the Trust.

Early Years (EY) and Key Stage 1 (KS1) Outcomes 2019 – % Achieving

	EY Good level of Development	EY Phonics	KS1 Reading	KS1 Writing	KS1 Maths
Central Walker C of E Primary	65	78	72	68	73
Tyneview Primary	64	68	81	87	81
Walkergate Community School	62	89	77	76	81
West Walker Primary	62	73	65	63	65
National	72	82	75	69	76

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Key Stage 2 Outcomes Comparing 2018 and 2019 – % Achieving

	2018 KS2 Combined		2019 KS2 Combined	
	Expected	Higher	Expected	Higher
Central Walker C of E Primary	73	22	68	15
Tyneview Primary	83	3	75	7
Walkergate Community School	79	9	62	9
West Walker Primary	58	13	62	10
National	64	10	65	11

Key Stage 4 and Key Stage 5 Outcomes Comparing 2018 and 2019

Benfield School	Progress		Attainment 8	
	2018	2019	2018	2019
KS4	-0.64	-0.57	35.8	36.78
KS5	-0.48	-0.85	na	na

Pupil Attendance

We have been pleased to report continued improvements in pupil attendance, which is an area of significant challenge for all of our schools.

Pupil Attendance (%) Comparing 2017/18 and 2018/19

	2017-18	2018-19
Benfield School	91.3%	92.0%
Central Walker C of E Primary	94.6%	95.2%
Tyneview Primary	93.1%	93.8%
Walkergate Community School	94.5%	94.9%
West Walker Primary	93.3%	94.1%

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

During 2018-19 we have made significant progress and impact against our key strategies to improve school performance:

Strategic priority	Impact and next steps
<ul style="list-style-type: none"> Facilitated teacher networks with termly meetings timetabled linked to subjects and age groups to share and embed the characteristics of the learner- skills progression across all subjects Characteristics of NEAT learner and principles of NEAT curriculum developing across all Trust schools. 	<p>Whole trust curriculum offer being developed which incorporates the characteristics of NEAT learner and provides a NEAT curriculum offer with shared key experiences across all schools.</p> <p>Teacher networks utilised as key tool to improve quality first teaching leading to improvements.</p> <p>Subject lead networks have been established, have created an audit tool which has led to progression of skills documents.</p>
<ul style="list-style-type: none"> Strategic safeguarding team in place to ensure outstanding safeguarding outcomes; Attendance strategic team in place with a focus on action research to share the best practice within our schools and drive up attendance; Central team capacity to support attendance and whole family working 	<p>Successful SSIF bid led to roll out of strategies and processes to improve attendance of PA pupils.</p> <p>Trust attendance improving and showing impact of strategic work</p> <p>All safeguarding effective across all trust schools.</p>
<ul style="list-style-type: none"> NEAT welfare offer embedded across all 5 schools to support physical and mental wellbeing for pupils, families and staff; 	<p>NEAT windscreen of need utilised to ensure effective welfare support delivered- having a positive impact on whole family outcomes.</p>
<ul style="list-style-type: none"> SENCO network with a focus on inclusion and meeting the needs of all learners Coordination of Educational Psychology support trust wide to ensure all schools are able to meet the needs of learners; 	<p>Education Psychology offer embedded and used to identify specific next steps for SEN pupils</p> <p>SENCO network successful and leading to good progress for SEN pupils.</p> <p>Coordinated approach to SEN across East End schools.</p>
<ul style="list-style-type: none"> Outstanding Teacher Programme delivered to outstanding practitioners across all trust schools and teaching school alliance to build capacity and further drive up the quality of learning and teaching; I.T.P programme delivered across the trust and wider teaching school alliance to impact on quality of learning and teachers 	<p>OTP and ITP offer delivered to all Trust and TSA schools, leading to improvements in quality first teaching across trust.</p> <p>Increased capacity for delivery through training of additional facilitators has been established.</p>

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

<ul style="list-style-type: none"> • PiXL (Performance in Excellence) approaches applied across all schools to ensure focused interventions are delivered; 	<p>PIXL approaches ensuring clear gap analysis across all primary schools. All of end KS2 progress measures above national.</p>
<ul style="list-style-type: none"> • Regular moderation taking place across all NEAT schools to secure teacher assessment judgements and share best practice; 	<p>Trust leads on statutory assessment arrangements on behalf of the local authority. Primary teacher assessment secure and leading to continued improving outcomes.</p>
<ul style="list-style-type: none"> • Delivery of training to local governing bodies and directors with a focus on supporting governors to challenge school leaders to further drive up standards; 	<p>Local governors demonstrate skills set to assure and ensure themselves that the school takes appropriate actions to have a positive impact on outcomes.</p>
<ul style="list-style-type: none"> • Common format to SDP, SEF and three year target setting applied and implemented across all NEAT schools to ensure all schools have a focus on achieving outstanding outcomes within a timeframe. 	<p>SDP/SEF format leading to tighter tracking and priority setting, enabling tight school improvement targets and more regular self-evaluation.</p>
<ul style="list-style-type: none"> • Teaching school alliance established with 13 school partners. A comprehensive programme of CPD delivered across all alliance schools. • Lead learning training delivered to 13 lead learners across the teaching school alliance. They are being deployed across the alliance to develop aspects of learning and teaching. 	<p>Teaching school alliance accredited 14 SLEs and an RSL which is providing additional school improvement capacity across the teaching school alliance and beyond.</p>
<ul style="list-style-type: none"> • 3 year strategic plan in place with a clear focus on school improvement • Shared whole trust priorities identified and training delivered to priority leads across the trust. • Focus groups in place to drive aspects of 3 year strategic plan. • One year trust improvement plan (linked to 3 year strategic plan) developed with a clear focus on improving outcomes. 	<p>Review of strategic plan evidenced clear impact on actions and priorities leading to trust improvement under priority areas.</p>

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The Trust has identified the following school improvement priorities and key actions for 2019-20:

<u>Current priorities</u>	<u>Actions and next steps</u>
Development of physical and mental health support and expertise across the trust:	<p>Mindfulness training- successful bid to train staff across the trust.</p> <p>COUNSELLING- applied for funding for Tyne And Wear Citizen bid to establish a counselling service across all schools in England- NEAT championing the pilot work.</p> <p>CLINICIANS- network establishing to access specialist clinician support.</p> <p>ACCELERATE PROGRAMME- NHS trailblazer to develop mental health capacity across secondary schools.</p> <p>PHYSICAL HEALTH- trust developing a physical health strand which will provide universal and bespoke physical activity.</p>
Develop the profile and reach of the newly designated Research School and existing Teaching School.	<p>Research school designation July 2019- next steps to develop the networks, offers and utilise the Research School resources across the networks leading to school improvement.</p> <p>Designated OLIVI Centre Excellence- through the facilitated OTP, DTP we have been invited to apply to become a centre of excellence- the only one in the North.</p> <p>Utilise the capacity we have establish through deployment of SLEs, RSL and NLE leading to wider impact on school improvement.</p>
Embed the work of the new vulnerable learner lead professional, leading to improved outcomes	<p>VL lead role established. Exploring partnerships to support the further development of work in this area.</p> <p>VL curriculum offer developing with continued development of windscreen.</p>
Share the successful trust approaches around attendance linked to the successful SSIF bid	Embed SSIF work across LA schools and beyond.
Further develop the NEAT curriculum and online reporting tool	<p>Curriculum work- roll out the audit across all subject areas/ progression of skills document to develop progression of skills to ensure quality curriculum.</p> <p>Work in partnership with Globalbridge to explore an online recording tool (aligned to careers tracker and report template)</p>

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Develop and grow capacity of future leaders at all levels.	Leadership training- Establish ourselves as a trainer for NPQs in collaboration with Ambition establishing an NPQ hub. Access to training and coaching for future leaders through trust CPD. Development of Appraisal across the trust to ensure the system is consistent, robust and leading to improving outcomes.
Develop our offer to ensure we meet the needs of all learners	SEN review- coordinated review across the East utilising Inclusion Quality Framework to support the work. Grow specialist SEN support through establishment of Apprenticeship training provider facility. East End collaboration- continue to work across East End to support and develop a coordinated approach to SEN support.

Going Concern

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

Financial Review

The majority of the Academy Trust's income for the year of account is obtained from either the ESFA (Education and Skills Funding Agency) or Local Authorities as commissioners of pupil places, the use of which is restricted to particular purposes. The grants and funding received from these bodies for the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2019 total expenditure of £16,463,000 (excluding net inherited liabilities) was in excess of the grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The excess of expenditure over income for the year (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £770,000. The actual outturn position reported in the management accounts for the period, excluding transfers between funds, depreciation and pension movement, was a deficit of £63,000.

At 31 August 2019 the net book value of fixed assets was £21,644,000. The assets were used exclusively for providing education and associated support to the pupils in the Academies within the Trust.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Under accounting standard FRS 102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £4,628,000 which has been carried forward to 2019/20. It should be noted that this does not present a liquidity problem for the Trust and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

Reserves Policy

The Trust holds both restricted and unrestricted funds, which are detailed in the financial statements. The level of reserves is reviewed by the Trustees regularly throughout the period and the minimum level of reserves for the ongoing needs of the Academy Trust is set out in the Reserves and Investment Policy.

The Trustees currently target a minimum level of reserves for each school and in total across the trust that equates to the equivalent of one month's operating costs £1,300,000 to cover cashflow and contingency requirements. Additional funds are required where planned or anticipated future commitments to capital projects are identified.

The Trust's current level of reserves are in surplus by £468,000 (comprising £98,000 of restricted reserves and £370,000 of unrestricted reserves (note 17)).

Included in unrestricted reserves is a deficit of £401,000 (2018: £155,000 deficit) in relation to the subsidiary NEAT Active Limited.

The Trustees recognise the importance of reserves for the sustainability of the Trust's operations and its capacity to deal with unforeseen events. Ongoing reviews of the strategic risks that the Trust faces will help in informing the level of reserves required going forward.

Investment Policy

The Trust's investment objectives are:

- to achieve the best financial return available for cash reserves, while ensuring that security of deposits takes precedence over revenue maximisation;
- to only invest funds surplus to operational need, based on all financial commitments being met without the Trust bank account becoming overdrawn; and
- to exercise all investment decisions with care and skill and consequently be in the best interests of the Trust and be able to command broad public support.

The Trustees have taken a prudent view with regard to investments during 2018-19 and it will look to review its approach during 2019-20, while being mindful of both liquidity and counter party risks.

Principal Risks and Uncertainties

The Trustees have developed the Trust's Risk Management Policy, which is being used to identify the principal risks and uncertainties facing the Trust. These risks are recorded and monitored on an operational basis in each Academy's risk register and this in turn links into the Trust's overall strategic risk register. Risk categories considered are varied and include educational performance, operational, financial and reputational.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The principal financial risks that have been identified are those linked to managing changes in pupil numbers in the secondary sector, the condition of some parts of the Trust's estate and our continued membership of the Teachers and Local Government Pension Schemes.

The Trust operates systems of financial planning and control to understand and monitor these risks and these are examined through our internal assurance program and with external auditors. Where significant financial risk still remains the Trust has ensured that adequate insurance cover is in place.

The other principal risks that have been identified are ensuring effective governance and leadership across the Trust to improve academic standards, managing the attendance of pupils and ensuring that safeguarding systems for the protection and well-being of the Trust's pupils are effective.

The Trust is developing a clear accountability framework to measure outcomes and support and training is provided to all levels of governance.

The Trust has implemented robust safeguarding policies and has also fully implemented the requirements of the Safer Recruitment procedures and all relevant staff have received training in this area.

Fundraising

The Trust uses fundraising as a means of generating a relatively small amount of additional income to support the purchase of goods, equipment and services, which otherwise would not be affordable from core revenue and capital funds. The Trust undertakes a number of regular general fundraising activities such as school fayres and raffles to support our children's education as well as organising other fundraising for specific and clearly defined purposes.

The Trust primarily engages with the families of the children at each school as well as other members of the local community. In addition approaches are also made to local businesses to support the fundraising activities of the Trust. All staff or volunteers carrying out fundraising activities are expected to act with fairness, honesty, integrity and openness and to ensure that nobody is put under pressure to donate. The Trust has not worked with any professional fundraisers during the year.

The Trustees are responsible for ensuring that all funds raised are properly accounted for and that the money is expended in accordance with the objectives agreed for the particular fundraising activity. They have not received any complaints during the year in relation to the Trust's fundraising activities.

Employees and People With Disabilities

Employees and their representatives are consulted on a regular basis about policies that affect their employment so that their views can be taken into account when the Trustees are making decisions. This includes issues such as performance management, pay and expenses, as well as employment procedures to manage conduct and sickness absence.

There is regular communication with employees to keep them informed about the performance of the Trust and its individual Academies. They are also encouraged to provide feedback about matters of concern to them as employees and are made aware of arrangements for whistleblowing if they have concerns about the running of the Trust.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

The Trust has a range of policies that positively support the recruitment, promotion and training of people with disabilities. Recruitment and selection policies apply to all aspects of the recruitment process from advertising jobs through to appointing staff and the Trust takes positive action to interview all applicants with a disability who meet the essential requirements for a vacancy. The Trust's approach to supporting employees who become disabled includes making reasonable adjustments to the person's current job role and working conditions or seeking suitable alternative employment. The Trust's CPD policy recognises the need to ensure access to relevant training. There is a disability related leave scheme which provides up to 20 days additional leave in a 12 month period.

Plans for Future Periods

We have refreshed the strategic aims for 2019-21 in light of our changing context and priorities.

Aim 1: Ensure all academies deliver a quality education leading to good outcomes for all learners.

- Design a whole curriculum offer to ensure breadth and depth leading to good progress for all learners relevant to their starting points.
- Develop innovative, effective teaching and learning across the whole trust leading to good progress.
- Embed an effective, structured careers programme across the trust to raise aspirations and lead to better outcomes
- Develop and embed effective transition and induction procedures leading to good outcomes.

Aim 2: Embed an effective whole family approach to supporting welfare, attendance and attainment that has a positive impact on pupil outcomes.

- Embed effective strategies to support welfare and attendance enabling an offer to be shared to external organisations.
- Develop strategies and provision to support vulnerable learners across the trust leading to good outcomes.
- Develop a whole trust engagement strategy to ensure effective engagement with families and the wider community.
- Develop a consistent, effective, whole trust approach to support physical and mental health.

Aim 3: Ensure that the trust is well led, managed and governed to ensure continuous trust improvement.

- Develop trust leadership programmes to enhance the skills of current leaders and identify future leaders to enable good outcomes to be secured.
- Develop and embed a modern governance structure to ensure effective governance across the trust.
- Develop a people management strategy and embed effective and consistent policy and practice across the employment lifecycle for the trust group.
- Develop and embed a strategy and plan for equality, diversity and inclusion across the trust group.

Newcastle East Mixed Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2019 (continued)

Aim 4: Ensure the trust is operationally effective and showing improvement in performance over time.

- Review operational effectiveness of the trust, its schools and business units.
- Review and implement improvements to organisation structures, job roles and ways of working to ensure efficient use of resources.
- Seek continuous improvements to business support services within each school and business unit.
- Review the provision and environment at each school to identify areas for improvement to provide the best possible educational experience for our pupils.

Aim 5: Grow the trust to enable a broader and better educational experience.

- Build the profile of the trust through an effective communication and engagement strategy.
- Build on and develop collaborative networks and partnerships.
- Develop process and practice to continually review, analyse and assess opportunities for growth.
- Develop new and build on existing trading and income opportunities including: Teaching School Alliance, Research School, NEAT Active, Apprenticeship Training Provider.

Funds Held as Custodian on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others.

Auditor


In so far as the trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board on ~~18.12.19~~ and signed on its behalf by:


.....
R Alston OBE
Trustee

Newcastle East Mixed Multi Academy Trust

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Newcastle East Mixed Multi Academy Trust has effective and appropriate systems of control, financial and otherwise. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Trustees have delegated the day-to-day responsibility to the Chief Executive Officer, 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 Newcastle East Mixed Multi Academy Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the 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 formally met six times during the period ended 31 August 2019. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Alston - Chair	5	6
D Bailey	6	6
S Beharall	5	6
N Brannen	1	4
S Fooy	2	6
N Iftkhar	5	6
A Lister	3	6
A McNall	6	6
S Ormerod	5	6
M White – Vice Chair	3	6

The changes to the Trust Board during 2018-19 were:

- the appointment by the Board of one additional Trustee – Nichola Brannen – who was nominated by the Newcastle Diocesan Education Board to fill the vacant position of Church Ethos Director.

The stable membership of the Board during 2018-19 enabled the Trustees to deepen their understanding of the Trust and its Academies and to embed its three-year Strategic Plan. A Vice Chair was elected for the first time in 2018-19 to strengthen the leadership of the Board.

Newcastle East Mixed Multi Academy Trust

Governance Statement (continued)

Board's Performance

The Board's main challenges during 2018-19 as a recently established Mixed Multi Academy Trust were to recruit and retain an effective group of Trustees with complementary skills and to evaluate whether the agreed governance structure and accountability framework worked in practice.

The Board has been effective in ensuring all statutory financial management and governance requirements have been complied with and in identifying and managing risk at the level of the Trust and within its individual Academies. It has also provided support and challenge initially via the Chief Executive Officer to Academy Headteachers regarding pupil outcomes for 2018-19 and school improvement planning for 2019-20 with three year targets set for key performance measures.

Quality of data used

The Board uses a range of data at the level of Trust and its individual Academies to set and measure key performance indicators. This is presented alongside comparative data at national, regional and local levels, as appropriate, to enable benchmarking of the performance of the Trust and its individual Academies against, for example, the pupil population of England as a whole, other Academy Trusts, individual schools and statistical neighbours. This enables Trustees and Local Governors to scrutinise data and challenge executive and school leaders and hold them to account across the range of performance indicators. This accountability process informs the development of the Trust's strategic and operational plans based on a thorough self-evaluation of performance.

Governance Annual Assessment

The Trust Board has continued to make an annual assessment of governance. The scope of the assessment in 2018-19 included reviewing the effectiveness of the Board and its committees (including Local Governing Committees) in decision-making and accountability, and involved seeking the views of those involved at different levels within the governance structure. The impact of the review has been to make changes to the governance structure for 2019-20 to streamline the Trust's decision-making processes to improve the Board's ability to operate strategically and to strengthen the quality assurance of the Academies undertaken by the Local Governing Committees on behalf of the Board.

The Board intends to undertake an external review of governance in 2019-20.

Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee is a committee established by the main Board of Trustees. Its purpose is to monitor the Trust's financial performance and advise the Board on the adequacy and effectiveness of its systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money). In the period ended 31 August 2019 the Committee considered the Academies' and Central Team budgets, reviewed internal assurance reports and ensured actions were taken, agreed relevant policies and reviewed the Trust's approach to pay. Attendance at meetings of the Committee in the period was as follows:

Trustee	Meetings attended	Out of a possible
R Alston	5	5
S Fooy	4	5
A Lister - Chair	4	5
S Ormerod	5	5
M White	2	5

Newcastle East Mixed Multi Academy Trust

Governance Statement (continued)

Review of Value for Money

As Accounting Officer, the Chief Executive Officer 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 social outcomes achieved in return for the taxpayer resources received.

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

- A review of the energy contract across the Trust identified savings of between 5-7% have been achieved against average commercial energy prices.
- Each academy undertook a review of their IT estates during the year to identify their investment priorities. This resulted in a significant capital investment in new equipment to ensure that our IT systems remain secure and fit for purpose going forward
- Identifying and securing additional grant funding has enabled the Trust to provide a world war I project for each of its schools as well an extensive programme of summer holiday activities that have supported some of our most vulnerable families

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Newcastle East Mixed Multi Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

Newcastle East Mixed Multi Academy Trust

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monthly 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 programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint MHA Tait Walker as Internal Auditors, to undertake a programme of internal assurance on the Academy Trust's financial systems. This work is undertaken by a separate team to that which carries out the external audit.

The programme of internal assurance includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included testing of:

- payroll systems and controls
- bank reconciliations
- purchasing systems and controls
- cash income streams

On a termly basis, MHA Tait Walker report to the Board of Trustees on the operation of control and on the discharge of the Board of Trustees' financial responsibilities.

The Academy Trust confirms that the internal audit function has been fully delivered in line with the ESFA's requirements and that no material control issues have been identified.

Review of Effectiveness

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

- the work of the Audit, Risk and Finance Committee;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of members of the Central Team who have responsibility for the development and maintenance of the internal control framework.

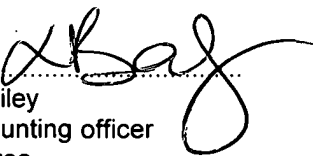
Newcastle East Mixed Multi Academy Trust

Governance Statement (continued)

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 members of the Board on 18.12.19 and signed on its behalf by:


.....
R Alston OBE
Trustee


.....
D Bailey
Accounting officer
Trustee

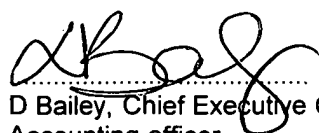
Newcastle East Mixed Multi Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Newcastle East Mixed Multi Academy Trust I have considered my responsibility to notify the academy trust Board and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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 and ESFA.



D Bailey, Chief Executive Officer
Accounting officer

Date: 18.12.19

Newcastle East Mixed Multi Academy Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company and group for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & 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 financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and group and of its incoming resources and application of resources, including the group income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group 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 and group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board on 18.02.19 and signed on its behalf by:


.....
R Alston OBE
Trustee

Newcastle East Mixed Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Newcastle East Mixed Multi Academy Trust

Opinion

We have audited the financial statements of Newcastle East Mixed Multi Academy Trust (the 'academy trust') and its subsidiaries (the 'group') for the year ended 31 August 2019, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent academy trust's affairs as at 31 August 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

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 financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information (covers the Reference and Administrative Details, the Trustees' Report the Governance Statement the Statement on Regularity, Propriety and Compliance, and the Statement of Trustees' Responsibilities)

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements 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.

Newcastle East Mixed Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Newcastle East Mixed Multi Academy Trust (continued)

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

We have nothing to report in this regard.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the and the Trustees' Report.

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

- adequate accounting records have not been kept by the parent academy trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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 set out on page 25, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Newcastle East Mixed Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Newcastle East Mixed Multi Academy Trust (continued)

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

Use of our report

This report is made solely to the charitable parent company's trustees, 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 group's trustees 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 parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

.....
Brian Laidlaw BA CA (Senior Statutory Auditor)

For and on behalf of MHA Tait Walker

Chartered Accountants

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: *19th December 2019*

MHA Tait Walker is a trading name of Tait Walker LLP.

Newcastle East Mixed Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to Newcastle East Mixed Multi Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Newcastle East Mixed Multi Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Board's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board's funding agreement with the Secretary of State for Education dated 1 April 2017 and the Academies Financial Handbook extant from 1 September 2018, 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 2018 to 2019. 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 year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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.

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

Newcastle East Mixed Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to Newcastle East Mixed Multi Academy Trust and the Education & Skills Funding Agency (continued)

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

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 year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

This report is made solely to Newcastle East Mixed Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Newcastle East Mixed Multi Academy Trust and the 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 Newcastle East Mixed Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

MHA Tait Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *19th December 2019*

MHA Tait Walker is a trading name of Tait Walker LLP.

Newcastle East Mixed Multi Academy Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	3	91	-	140	231
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	-	13,963	-	13,963
Teaching schools		-	186	-	186
Other trading activities	5	1,027	-	-	1,027
Investments	6	5	-	-	5
Total		<u>1,123</u>	<u>14,149</u>	<u>140</u>	<u>15,412</u>
Expenditure on:					
Raising funds	7	655	-	-	655
<i>Charitable activities:</i>					
Academy trust educational operations		5	15,168	421	15,594
Teaching schools		-	214	-	214
Total		<u>660</u>	<u>15,382</u>	<u>421</u>	<u>16,463</u>
Net income/(expenditure)		463	(1,233)	(281)	(1,051)
Transfers between funds		(516)	492	24	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	(195)	(1,493)	-	(1,688)
Net movement in deficit		(248)	(2,234)	(257)	(2,739)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>618</u>	<u>(2,296)</u>	<u>21,878</u>	<u>20,200</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>370</u>	<u>(4,530)</u>	<u>21,621</u>	<u>17,461</u>

Newcastle East Mixed Multi Academy Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2018 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	3	72	-	87	159
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	11	12,778	-	12,789
Teaching schools		-	116	-	116
Other trading activities	5	1,067	-	-	1,067
Investments	6	1	-	-	1
Total		<u>1,151</u>	<u>12,894</u>	<u>87</u>	<u>14,132</u>
Expenditure on:					
Raising funds	7	633	-	-	633
<i>Charitable activities:</i>					
Academy trust educational operations		3	13,673	420	14,096
Teaching schools		-	95	-	95
Total		<u>636</u>	<u>13,768</u>	<u>420</u>	<u>14,824</u>
Net income/(expenditure)		515	(874)	(333)	(692)
Transfers between funds		(1)	(6)	7	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	24	65	797	-	862
Net movement in funds/(deficit)		579	(83)	(326)	170
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		<u>39</u>	<u>(2,213)</u>	<u>22,204</u>	<u>20,030</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>618</u>	<u>(2,296)</u>	<u>21,878</u>	<u>20,200</u>

Newcastle East Mixed Multi Academy Trust

(Registration number: 10561094)

Consolidated Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	13	21,644	21,767
Current assets			
Debtors	15	502	484
Cash at bank and in hand		<u>2,276</u>	<u>2,219</u>
		2,778	2,703
Creditors: Amounts falling due within one year	16	<u>(1,786)</u>	<u>(1,615)</u>
Net current assets		<u>992</u>	<u>1,088</u>
Total assets less current liabilities		<u>22,636</u>	<u>22,855</u>
Net assets excluding pension liability		22,636	22,855
Pension scheme liability	24	<u>(5,175)</u>	<u>(2,655)</u>
Net assets including pension liability		<u>17,461</u>	<u>20,200</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	17	98	101
Restricted fixed asset fund	17	21,621	21,878
Restricted pension fund	17	<u>(4,628)</u>	<u>(2,397)</u>
		17,091	19,582
Unrestricted funds			
Unrestricted income fund	17	<u>370</u>	<u>618</u>
Total funds		<u>17,461</u>	<u>20,200</u>

The financial statements on pages 31 to 66 were approved by the trustees, and authorised for issue on 18.12.19, and signed on their behalf by:



 R Alston OBE
 Trustee


Newcastle East Mixed Multi Academy Trust

(Registration number: 10561094)

Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	13	21,621	21,749
Current assets			
Debtors	15	525	558
Cash at bank and in hand		<u>1,951</u>	<u>1,954</u>
		2,476	2,512
Creditors: Amounts falling due within one year	16	<u>(1,607)</u>	<u>(1,509)</u>
Net current assets		<u>869</u>	<u>1,003</u>
Total assets less current liabilities		<u>22,490</u>	<u>22,752</u>
Net assets excluding pension liability		22,490	22,752
Pension scheme liability	24	<u>(4,628)</u>	<u>(2,397)</u>
Net assets including pension liability		<u>17,862</u>	<u>20,355</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	17	98	101
Restricted fixed asset fund	17	21,621	21,878
Restricted pension fund	17	<u>(4,628)</u>	<u>(2,397)</u>
		17,091	19,582
Unrestricted funds			
Unrestricted income fund	17	<u>771</u>	<u>773</u>
Total funds		<u>17,862</u>	<u>20,355</u>

The financial statements were approved by the trustees, and authorised for issue on 18.12.19. and signed on their behalf by:



 R Alston OBE
 Trustee

Newcastle East Mixed Multi Academy Trust

Consolidated Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	215	777
Cash flows from investing activities	21	<u>(158)</u>	<u>(5)</u>
Change in cash and cash equivalents in the year		57	772
Cash and cash equivalents at 1 September		<u>2,219</u>	<u>1,447</u>
Cash and cash equivalents at 31 August	22	<u><u>2,276</u></u>	<u><u>2,219</u></u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

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.

Basis of preparation

The financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

Newcastle East Mixed Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 financial statements 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 financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the academy trust and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group statement of financial activities (incorporating the income and expenditure account) is published, a separate statement of financial activities (incorporating the income and expenditure account) for the parent Academy Trust is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The academy trust made a deficit of £2,493,000 (2018 - £123,000 surplus).

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.

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Grants receivable

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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.

Trading income

Trading income represents the value of services provided during the year, net of discounts and Value Added Tax. For services provided, turnover is recognised to the extent that and when there is a right to consideration.

Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

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 allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

Tangible fixed assets

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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Asset class

Freehold land and buildings
Furniture and equipment
Motor vehicles
Computer equipment

Depreciation method and rate

50 years straight line
7 years straight line
4 years straight line
3 years straight line

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Investments

The academy's shareholding in the wholly owned subsidiary, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

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 as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 as detailed in notes 16. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 Part 11 Chapter 3 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.

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Pension 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. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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 Education Skills and Funding Agency and the Department for Education Group.

Critical accounting estimates and areas of judgement

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.

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

Subsidiary undertaking

The financial statements include the results of NEAT Active Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 14. Profits generated by the subsidiary will be passed to the academy via gift aid.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2019.

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

3 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Other voluntary income				
Educational trips and visits	70	-	70	50
Capital grants	-	140	140	87
Other donations	21	-	21	22
	<u>91</u>	<u>140</u>	<u>231</u>	<u>159</u>
	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	Total 2018 £ 000	
Total 2018	<u>72</u>	<u>87</u>	<u>159</u>	

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
DfE/ESFA revenue grants				
General Annual Grant GAG	-	10,507	10,507	9,296
Other ESFA Group grants	-	1,903	1,903	1,695
	<u>-</u>	<u>12,410</u>	<u>12,410</u>	<u>10,991</u>
Other government grants				
Local authority grants	-	1,459	1,459	1,695
Non-government grants and other income				
Other income from the academy trusts educational operations	-	94	94	103
	<u>-</u>	<u>13,963</u>	<u>13,963</u>	<u>12,789</u>
Total grants				
	Unrestricted funds £ 000	Restricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>11</u>	<u>12,778</u>	<u>12,789</u>	

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5 Other trading activities

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Hire of facilities	135	135	137
Catering income	140	140	152
Recharges and reimbursements	15	15	6
Other sales	103	103	177
Subsidiary income	634	634	595
	<u>1,027</u>	<u>1,027</u>	<u>1,067</u>
	Unrestricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>1,067</u>	<u>1,067</u>	

6 Investment income

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Short term deposits	<u>5</u>	<u>5</u>	<u>1</u>
	Unrestricted funds £ 000	Total 2018 £ 000	
Total 2018	<u>1</u>	<u>1</u>	

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Expenditure

	Non Pay Expenditure			Total 2019 £ 000	Total 2018 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds - direct costs	12	-	643	655	633
Academy's educational operations					
Direct costs	7,830	-	679	8,509	7,658
Allocated support costs	3,967	1,700	1,418	7,085	6,438
Expenses relating to the teaching school activities	158	-	56	214	95
	<u>11,967</u>	<u>1,700</u>	<u>2,796</u>	<u>16,463</u>	<u>14,824</u>
	Non Pay Expenditure			Total 2018 £ 000	
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Total 2018	<u>10,535</u>	<u>1,641</u>	<u>2,648</u>	<u>14,824</u>	

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019 £ 000	2018 £ 000
Operating lease rentals	34	20
Depreciation	424	422
Fees payable to auditor - audit	10	10
Fees payable to auditor - other audit services	13	17
Gain/(loss) on disposal of fixed assets	(2)	-

8 Charitable activities

	2019 £ 000	2018 £ 000
Direct costs - educational operations	8,509	7,658
Support costs - educational operations	7,085	6,438
	<u>15,594</u>	<u>14,096</u>

	Educational operations £ 000	2019 £ 000	2018 £ 000
Analysis of support costs			
Support staff costs	3,967	3,967	3,436
Depreciation	424	424	422
Technology costs	168	168	166
Premises costs	1,276	1,276	1,219
Other support costs	1,138	1,138	1,072
Governance costs	112	112	123
Total support costs	<u>7,085</u>	<u>7,085</u>	<u>6,438</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

9 Staff

Staff costs

	2019 £ 000	2018 £ 000
Staff costs during the year were:		
Wages and salaries	8,488	8,022
Social security costs	767	704
Operating costs of defined benefit pension schemes	2,281	1,624
	<u>11,536</u>	<u>10,350</u>
Supply staff costs	371	172
Staff restructuring costs	60	13
	<u>11,967</u>	<u>10,535</u>
	2019 £ 000	2018 £ 000
Staff restructuring costs comprise:		
Severance payments	22	13
Other restructuring costs	38	-
	<u>60</u>	<u>13</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8,881 (2018 - £13,200). Individually, the payments were:

Non-statutory payments £4,792

Non-statutory payments £4,089

Staff costs incurred by NEAT Active Limited, which are not included in the above figures are wages and salaries of £302,504 (2018 - £292,770), social security costs of £23,572 (2018 - £22,910) and operating costs of defined benefit pension schemes of £130,484 (2018 - £84,039).

Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2019 No.	2018 No.
Charitable Activities		
Teachers	136	133
Administration and support	239	229
Management	9	8
	<u>384</u>	<u>370</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

9 Staff (continued)

Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	3	7
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1

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 £817,679 (2018 - £855,915).

10 Central services

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

- Human resources;
- Financial services;
- Governance services;
- Education and support services;
- Technology support services

The academy trust charges for these services on the following basis:

The Trust charges for these services on an agreed percentage basis. Each academy pays the Trust 5.5% of school budget to fund central services.

The actual amounts charged during the year were as follows:

	2019 £ 000	2018 £ 000
Benfield School	232	153
Central Walker Church of England Primary School	96	71
Tyneview Primary School	68	49
Walkergate Community School	156	123
West Walker Primary School	61	49
	<u>613</u>	<u>445</u>

11 Related party transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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 role as trustees. The value of trustees' remuneration and other benefits was as follows:

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Related party transactions - Trustees' remuneration and expenses (continued)

D Bailey (Accounting Officer):

Remuneration: £80,000 - £85,000 (2018 - £75,000 - £80,000)

Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £2,014 (2018 - £2,908) were reimbursed or paid directly to 2 trustees (2018 - 3).

Other related party transactions involving the trustees are set out in note 25.

12 Trustees' and officers' insurance

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

13 Tangible fixed assets

Group

	Freehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2018	22,006	180	50	114	22,350
Additions	138	21	-	144	303
Disposals	-	(2)	-	(1)	(3)
At 31 August 2019	22,144	199	50	257	22,650
Depreciation					
At 1 September 2018	462	51	20	50	583
Charge for the year	340	28	12	44	424
Eliminated on disposals	-	(1)	-	-	(1)
At 31 August 2019	802	78	32	94	1,006
Net book value					
At 31 August 2019	21,342	121	18	163	21,644
At 31 August 2018	21,544	129	30	64	21,767

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Tangible fixed assets (continued)

Academy Trust

	Freehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost					
At 1 September 2018	22,006	158	50	114	22,328
Additions	138	11	-	144	293
Disposals	-	(2)	-	(1)	(3)
At 31 August 2019	22,144	167	50	257	22,618
Depreciation					
At 1 September 2018	462	47	20	50	579
Charge for the year	340	23	12	44	419
Eliminated on disposals	-	(1)	-	-	(1)
At 31 August 2019	802	69	32	94	997
Net book value					
At 31 August 2019	21,342	98	18	163	21,621
At 31 August 2018	21,544	111	30	64	21,749

The Trust's transactions relating to land and buildings include:

The granting of a leasehold on 1st May 2017 for £nil consideration over 125 years.

The academy trust company occupies land (including buildings) which are owned by its Trustees who are The Diocese of Newcastle. The Trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Investments

Academy Trust

The academy trust owns 100% of the Ordinary shares of NEAT Active Limited, a company incorporated in England & Wales. Registration Number 10424587. The registered office of the company is Benfield School, Benfield Road, Newcastle upon Tyne, Tyne and Wear, NE6 4NU. The principal activity of the company is the operation of the Benfield Sports Centre. Turnover for the year ended 31 August 2019 was £686,000 (2018 - £632,000), expenditure was £828,000 (2018 - £742,000) and the profit/(loss) for the year was (£142,000) (2018 - (£110,000)). The assets of the company at 31 August 2019 were £4,725,000 (2018 - £4,737,000), liabilities were £796,000 (2018 - £471,000) and capital and reserves were £3,929,000 (2018 - £4,266,000).

15 Debtors

	Group		Academy Trust	
	2019	2018	2019	2018
	£ 000	£ 000	£ 000	£ 000
Trade debtors	50	111	14	88
VAT recoverable	57	51	55	50
Other debtors	3	-	2	-
Prepayments	102	76	100	74
Accrued grant and other income	290	246	284	239
Balances due from related entities	-	-	70	107
	<u>502</u>	<u>484</u>	<u>525</u>	<u>558</u>

16 Creditors: amounts falling due within one year

	Group		Academy Trust	
	2019	2018	2019	2018
	£ 000	£ 000	£ 000	£ 000
Trade creditors	478	495	448	467
Other taxation and social security	205	186	198	180
Other creditors	9	131	3	126
Accruals	360	254	349	236
Deferred income	545	373	420	324
Pension scheme creditor	189	176	189	176
	<u>1,786</u>	<u>1,615</u>	<u>1,607</u>	<u>1,509</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Creditors: amounts falling due within one year (continued)

Group

	2019 £ 000	2018 £ 000
Deferred income		
Deferred income at 1 September 2018	373	519
Resources deferred in the period	545	373
Amounts released from previous periods	<u>(373)</u>	<u>(519)</u>
Deferred income at 31 August 2019	<u>545</u>	<u>373</u>

At the balance sheet date the Group was holding funds received in advance in respect of Early Years Funding, Rates Relief, Devolved Formula Capital, High Needs Funding, Universal Infant Free School Meal, School Games Organiser Funding and swimming lessons relating to academic year 2019/20.

Academy Trust

	2019 £ 000	2018 £ 000
Deferred income		
Deferred income at 1 September 2018	324	465
Resources deferred in the period	420	324
Amounts released from previous periods	<u>(324)</u>	<u>(465)</u>
Deferred income at 31 August 2019	<u>420</u>	<u>324</u>

At the balance sheet date the Academy Trust was holding funds received in advance in respect of Early Years Funding, Rates Relief, Devolved Formula Capital, High Needs Funding and Universal Infant Free School Meals relating to academic year 2019/20.

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds

Group

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	10,507	(10,999)	492	-
Pupil Premium	-	1,480	(1,480)	-	-
Other Grants	-	1,951	(1,951)	-	-
Teaching School	21	186	(214)	-	(7)
Sink Fund	80	25	-	-	105
	<u>101</u>	<u>14,149</u>	<u>(14,644)</u>	<u>492</u>	<u>98</u>
Restricted fixed asset funds					
Transfer on Conversion	21,612	-	(374)	-	21,238
DfE / ESFA Capital Grant	238	140	(31)	24	371
Start Up Grant	28	-	(16)	-	12
	<u>21,878</u>	<u>140</u>	<u>(421)</u>	<u>24</u>	<u>21,621</u>
Restricted pension funds					
Pension Reserve	<u>(2,397)</u>	<u>-</u>	<u>(738)</u>	<u>(1,493)</u>	<u>(4,628)</u>
Total restricted funds	19,582	14,289	(15,803)	(977)	17,091
Unrestricted funds					
General Fund	<u>618</u>	<u>1,123</u>	<u>(660)</u>	<u>(711)</u>	<u>370</u>
Total funds	<u>20,200</u>	<u>15,412</u>	<u>(16,463)</u>	<u>(1,688)</u>	<u>17,461</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Restated incoming resources £ 000	Restated resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
General Annual Grant (GAG)	434	9,281	(9,661)	(54)	-
Start Up Grant	150	-	(143)	(7)	-
Pupil Premium	-	1,409	(1,409)	-	-
Other Grants	-	2,063	(2,063)	-	-
Teaching School	-	116	(95)	-	21
Sink Fund	-	25	-	55	80
	<u>584</u>	<u>12,894</u>	<u>(13,371)</u>	<u>(6)</u>	<u>101</u>
Restricted fixed asset funds					
Transfer on Conversion	22,006	-	(394)	-	21,612
DfE / ESFA Capital Grant	163	87	(12)	-	238
Start Up Grant	<u>35</u>	<u>-</u>	<u>(14)</u>	<u>7</u>	<u>28</u>
	22,204	87	(420)	7	21,878
Restricted pension funds					
Pension Reserve	<u>(2,797)</u>	<u>-</u>	<u>(397)</u>	<u>797</u>	<u>(2,397)</u>
Total restricted funds	19,991	12,981	(14,188)	798	19,582
Unrestricted funds					
General Fund	<u>39</u>	<u>1,151</u>	<u>(636)</u>	<u>64</u>	<u>618</u>
Total funds	<u>20,030</u>	<u>14,132</u>	<u>(14,824)</u>	<u>862</u>	<u>20,200</u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. 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 2019.

Other DfE/ESFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

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

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£ 000	£ 000
Benfield School	(544)	(295)
Central Walker Church of England Primary School	194	273
Teaching School	(7)	21
Tyneview Primary School	175	278
Walkergate Community School	172	291
West Walker Primary School	86	145
NEAT Active Limited	(401)	(155)
Central Services	793	161
	<hr/>	<hr/>
Total before fixed assets and pension reserve	468	719
Restricted fixed asset fund	21,621	21,878
Pension Reserve	(4,628)	(2,397)
	<hr/>	<hr/>
Total	<u>17,461</u>	<u>20,200</u>

Benfield School has an ongoing challenging financial position, which is the result of significant changes in its pupil numbers, which has seen it move from a falling pupil roll to a rapidly increasing one. Pupil numbers have grown by 176 in the last two years and the in-year deficit in 2018/19 was due to the impact of lagged funding, while staffing and resource costs have increased. A further in-year deficit is budgeted for 2019/20, with a return to a balanced budget in 2020/21.

NEAT Active reported an increased in-year deficit primarily due to charges in the year for its defined benefit pension scheme. The company made a profit before depreciation and pension charges of £47,000.

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
Benfield School	3,025	1,454	264	1,010	5,753
Central Walker Church of England Primary School	1,059	633	105	355	2,152
Teaching School	70	88	17	39	214
Tyneview Primary School	795	519	65	222	1,601
Walkergate Community School	2,157	472	76	660	3,365
West Walker Primary School	794	381	88	293	1,556
NEAT Active Limited	-	-	-	691	691
Central services	-	520	82	105	707
Academy Trust	<u>7,900</u>	<u>4,067</u>	<u>697</u>	<u>3,375</u>	<u>16,039</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

Expenditure incurred by each Academy during the prior year was as follows:

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2018 £ 000
Benfield School	2,333	1,378	200	915	4,826
Central Walker Church of England Primary School	1,181	490	106	381	2,158
Teaching School	-	77	4	14	95
Tyneview Primary School	807	436	95	219	1,557
Walkergate Community School	1,908	559	87	650	3,204
West Walker Primary School	682	356	81	304	1,423
NEAT Active Limited	-	-	-	647	647
Central Services	-	328	77	87	492
Academy Trust	<u>6,911</u>	<u>3,624</u>	<u>650</u>	<u>3,217</u>	<u>14,402</u>

18 Analysis of net assets between funds

Group

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total £ 000
Fixed assets	23	-	21,621	21,644
Current assets	2,680	98	-	2,778
Current liabilities	(1,786)	-	-	(1,786)
Pension scheme liability	(547)	(4,628)	-	(5,175)
	<u>370</u>	<u>(4,530)</u>	<u>21,621</u>	<u>17,461</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Analysis of net assets between funds (continued)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	18	-	21,749	21,767
Current assets	2,473	101	129	2,703
Current liabilities	(1,615)	-	-	(1,615)
Pension scheme liability	(258)	(2,397)	-	(2,655)
Total net assets	<u>618</u>	<u>(2,296)</u>	<u>21,878</u>	<u>20,200</u>

Academy Trust

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total £ 000
Fixed assets	-	-	21,621	21,621
Current assets	2,378	98	-	2,476
Current liabilities	(1,607)	-	-	(1,607)
Pension liability	-	(4,628)	-	(4,628)
	<u>771</u>	<u>(4,530)</u>	<u>21,621</u>	<u>17,862</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	21,749	21,749
Current assets	2,282	101	129	2,512
Current liabilities	(1,509)	-	-	(1,509)
Pension scheme liability	-	(2,397)	-	(2,397)
Total net assets	<u>773</u>	<u>(2,296)</u>	<u>21,878</u>	<u>20,355</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Commitments under operating leases

Group

Operating leases - group

At 31 August 2019 the Group had annual commitments under non-cancellable operating leases as follows:

	2019	2018
	£ 000	£ 000
Amounts due within one year	25	31
Amounts due between one and five years	9	8
	<u>34</u>	<u>39</u>

Academy Trust

Operating leases - company

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£ 000	£ 000
Amounts due within one year	25	31
Amounts due between one and five years	9	8
	<u>34</u>	<u>39</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

20 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	Note	2019 £ 000	2018 £ 000
Net expenditure		(1,051)	(692)
Depreciation	7	424	422
Capital grants from DfE and other capital income		(140)	(85)
Interest receivable	6	(5)	(1)
Defined benefit pension scheme cost less contributions payable	24	768	371
Defined benefit pension scheme finance cost	24	64	68
(Increase)/decrease in debtors		(18)	675
Increase in creditors		171	19
Loss on disposal of tangible fixed assets		2	-
Net cash provided by Operating Activities		<u>215</u>	<u>777</u>

21 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Dividends, interest and rents from investments	5	1
Purchase of tangible fixed assets	(303)	(93)
Capital funding received from sponsors and others	140	87
Net cash used in investing activities	<u>(158)</u>	<u>(5)</u>

22 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	<u>2,276</u>	<u>2,219</u>
Total cash and cash equivalents	<u>2,276</u>	<u>2,219</u>

23 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 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.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £189,308 (2018 - £175,723) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%. A copy of the latest valuation report can be found at:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the period amounted to £676,897 (2018: £606,000).

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

Under the definitions set out in Financial Reporting Standard 102 (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 schemes Group

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,031,000 (2018 - £907,000), of which employer's contributions totalled £827,000 (2018 - £731,000) and employees' contributions totalled £204,000 (2018 - £176,000). The agreed contribution rates for future years are 13.4 - 25.2 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Tyne & Wear Pension Fund.

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.

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumptions (CPI)	2.00	2.00
RPI increases	3.00	3.10

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

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

	2019	2018
Retiring today		
Males retiring today	21.90	22.90
Females retiring today	25.10	26.40
Retiring in 20 years		
Males retiring in 20 years	23.60	25.10
Females retiring in 20 years	<u>26.90</u>	<u>28.70</u>

Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	12,091	8,203
Discount rate -0.1%	12,696	8,613
Mortality assumption – 1 year increase	11,982	8,169
Mortality assumption – 1 year decrease	12,804	8,644
CPI rate +0.1%	12,552	8,515
CPI rate -0.1%	<u>12,230</u>	<u>8,298</u>

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

	2019 £ 000	2018 £ 000
Property	620	489
Equities	4,726	3,881
Corporate bonds	822	644
Government bonds	296	230
Cash and other liquid assets	152	127
Other	<u>599</u>	<u>380</u>
Total market value of assets	<u>7,215</u>	<u>5,751</u>

The actual return on scheme assets was £495,000 (2018 - £341,000).

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	1,595	1,102
Net interest cost	<u>64</u>	<u>68</u>
Total amount recognised in the SOFA	<u>1,659</u>	<u>1,170</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:

	2019	2018
	£ 000	£ 000
At start of period	8,406	7,657
Current service cost	1,109	1,102
Interest cost	238	193
Employee contributions	204	176
Actuarial (gain)/loss	2,009	(646)
Benefits paid	(62)	(76)
Past service cost	486	-
	<u>12,390</u>	<u>8,406</u>
At 31 August		

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

	2019	2018
	£ 000	£ 000
At start of period	5,751	4,579
Interest income	174	125
Actuarial gain/(loss)	321	216
Employer contributions	827	731
Employee contributions	204	176
Benefits paid	(62)	(76)
	<u>7,215</u>	<u>5,751</u>
At 31 August		

Academy Trust

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £969,000 (2018 - £841,000), of which employer's contributions totalled £783,000 (2018 - £682,000) and employees' contributions totalled £186,000 (2018 - £159,000). The agreed contribution rates for future years are 25.2 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Tyne & Wear Pension Fund.

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.

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.50	3.50
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumptions (CPI)	2.00	2.00
RPI increases	<u>3.00</u>	<u>3.10</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

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

	2019	2018
Retiring today		
Males retiring today	21.90	22.90
Females retiring today	25.10	26.40
Retiring in 20 years		
Males retiring in 20 years	23.60	25.10
Females retiring in 20 years	<u>26.90</u>	<u>28.70</u>

Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	10,999	7,488
Discount rate -0.1%	11,537	7,854
Mortality assumption – 1 year increase	10,894	7,453
Mortality assumption – 1 year decrease	11,641	7,886
CPI rate +0.1%	11,410	7,767
CPI rate -0.1%	<u>11,122</u>	<u>7,572</u>

The Academy's share of the assets in the scheme were:

	2019 £ 000	2018 £ 000
Property	571	448
Equities	4,347	3,559
Corporate bonds	757	590
Government bonds	272	211
Cash and other liquid assets	139	116
Other	<u>551</u>	<u>348</u>
Total market value of assets	<u>6,637</u>	<u>5,272</u>

The actual return on scheme assets was £456,000 (2018 - £312,000).

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	1,464	1,018
Net interest cost	<u>57</u>	<u>61</u>
Total amount recognised in the SOFA	<u>1,521</u>	<u>1,079</u>

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Pension and similar obligations (continued)

Changes in the present value of defined benefit obligations were as follows:

	2019 £ 000	2018 £ 000
At start of period	7,669	6,990
Current service cost	1,020	1,018
Interest cost	217	176
Employee contributions	186	159
Actuarial (gain)/loss	1,789	(600)
Benefits paid	(60)	(74)
Past service cost	444	-
At 31 August	11,265	7,669

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

	2019 £ 000	2018 £ 000
At start of period	5,272	4,193
Interest income	160	115
Actuarial gain/(loss)	296	197
Employer contributions	783	682
Employee contributions	186	159
Benefits paid	(60)	(74)
At 31 August	6,637	5,272

25 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. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

NEAT Active Limited

NEAT Active Limited is a wholly owned subsidiary of the academy trust

During the year, the academy trust purchased goods and services totalling £45,016 (2018: £19,060), and made sales totalling £87,430 (2018: £34,649).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due from NEAT Active Limited was £70,415 (2018 - £107,156).

Newcastle East Mixed Multi Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Related party transactions (continued)

Mr L McNall

Mr L McNall is an employee of the academy trust and the son of a trustee.

During the year Mr L McNall was employed by the academy trust as a Teacher and was paid in line with the national pay scales.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

At the balance sheet date the amount due to Mr L McNall was £Nil (2018 - £Nil).

26 Teaching school trading account

	2019 £ 000	2018 £ 000
Income		
Direct Income		
Other income	186	116
Total Income	186	116
Expenditure		
Direct costs		
Direct staff costs	(70)	-
Other direct costs	(17)	(4)
Total direct costs	(87)	(4)
Other costs		
Support staff costs	(88)	(77)
Technology costs	(3)	-
Other support costs	(36)	(14)
Total other costs	(127)	(91)
Total Expenditure	(214)	(95)
(Deficit)/surplus from all sources	(28)	21
Teaching school balances at 1 September 2018	21	-
Teaching school balances at 31 August 2019	(7)	21