

Registration number: 10561094

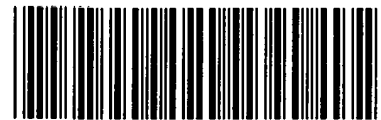
NEAT ACADEMY TRUST

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2021

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NEAT Academy Trust

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NEAT Academy Trust

Reference and Administrative Details

Members	The Diocesan Board of Education acting corporately by its Director, The Venerable M Wroe The Bishop of Newcastle, The Right Reverend C Hardman PNH Smith The Chair of Directors, R Alston OBE Rev H Gill
Trustees (Directors)	R Alston OBE, Chair D Bailey, Chief Executive Officer (resigned 12 October 2021) S Beharall N Brannen S Fooy (resigned 7 May 2021) N Iftkhar, Co-Vice Chair A Lister A McNall, Co-Vice Chair S Ormerod S Strassheim (resigned 15 January 2021) M White, Vice Chair (resigned 10 November 2020) S Leggetter (appointed 13 October 2020)
Chief Executive Officer	D Bailey
Company Secretary	S Hendey
Senior Management Team	D Bailey, Chief Executive Officer R Carr, Headteacher Benfield School D Day, Headteacher Central Walker Church of England Primary School F Kerr, Headteacher Central Walker Church of England Primary School S Gittins, Headteacher Tyneview Primary School A Young, Headteacher Walkergate Community School N Draper, Headteacher West Walker Primary School J Stroughair, Headteacher West Walker Primary School C Turvill, Chief Operating and Financial Officer C Davison, Lead for Secondary School Improvement (appointed 1 January 2021)
Principal and Registered Office	1 Hedley Court Orion Business Park North Shields Tyne and Wear NE29 7ST
Company Name	NEAT Academy Trust Formerly known as Newcastle East Mixed Multi Academy Trust
Company Registration Number	10561094

NEAT 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

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditor's reports of the Charitable Company for the period 1 September 2020 to 31 August 2021. 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 trust adopted new articles of association in March 2021.

The Trustees of NEAT Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as NEAT 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 pages 1 to 2.

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

NEAT 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 was appointed by virtue of their position under the previous articles of association when the trust was incorporated in 2017. Under the new articles of association the CEO is no longer an ex-officio director and therefore it was agreed that the CEO would step down from the board, which happened in October 2021. 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 Governing Committee members for the contribution they can potentially make to the running of the Academies. The term of office for any Local Governing Committee member appointed by the Trustees, parents of the Academy, staff of the Academy or, in Church of England schools, the relevant Diocese is four years. The Academy Headteacher is appointed as a Local Governing Committee member by virtue of their position and any Committee members co-opted by the Local Governing Committee have a term of office of one year.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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 Governing Committee members 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 Governing Committee members also hold membership of the National Governance Association and are able to access their e-learning, conference and training programme.

Organisational Structure

The governance structure consists of: the Members, the Trustees and a Local Governing Committee for each Academy, all supported by governance professionals. The aim of the management structure is to ensure clear accountability, whilst devolving responsibility and encouraging 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 educational performance, financial management, assets and other resources and senior staff appointments. The Board was supported during the year by the Audit and Risk and Remuneration Committees, as well as each Academy's own Local Governing Committee.

Delegated authority and powers of decision-making in relation to the Board and its committees, are defined in the Trust's Scheme of Delegation, which determines which responsibilities reside at individual Academy level. In some cases a Bespoke Scheme of Delegation is put in place for an individual Academy based on the Board's assessment of risk and the additional controls it identifies should be implemented to manage these.

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 committee established by the Trustees, and with an advisory role provided by the relevant Diocesan Education Board in the case of Church of England schools.

Systems and procedures for financial management, HR, IT services and administration are overseen by the Trust's Central Team including the Chief Operating and Financial Officer, Head of Business Services, Head of Digital Services and HR Manager.

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

All arrangements for setting and reviewing pay and remuneration are in accordance with the Trust's Pay Policy.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

The Trust's Chief Executive Officer and 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. Each role has a salary range taking into account the relative job weight of the post. In the case of the Chief Executive Officer external benchmarking data is used to inform setting the range; in the case of Headteachers the salary range is based on a national formula of weighted pupil numbers. Progression for all personnel is subject to a review of performance against objectives set in the annual appraisal review which are focused on leadership and management. The Remuneration Committee, based on recommendations made by three trustees in respect of the Chief Executive Officer and the Chief Executive Officer in respect of Headteachers, 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.

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 to the next salary point is determined by the Remuneration Committee on the basis of a successful annual appraisal.

Trade Union Facility Time

Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

NEAT meets its statutory obligations to provide facility time to trade union representatives by pooling resources with other schools and academies within the relevant local authority to cover the time spent by trade union representatives across a number of different employers. During the year we spent 0.06% of our total pay bill on facility time.

Related Parties and Other Connected Charities and Organisations

The Trust has a wholly owned Trading Subsidiary, NEAT Active Limited (the 'Company'), which oversees 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.

Two of the Academies are Church of England schools within the Dioceses of Durham and Newcastle and the Trust works alongside the officers of the Joint Diocesan Education Team and the Durham and Newcastle Diocesan Education Boards.

The Trust also works with Newcastle United Foundation, an independent registered charity, which uses the passion for football across the north east to engage with disadvantaged pupils across a number of curriculum areas within schools. A Trustee is a member of the organisations senior management team.

Engagement with 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.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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.

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 also a disability related leave scheme which provides up to 20 days additional leave in a 12 month period.

Objectives and Activities

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

The Academy Trust's approach to achieving this are encompassed in its shared purpose, values and vision.

Our Shared Purpose

We exist to nurture, educate, achieve and transform together.

We have developed a definition of our shared common purpose to ensure a common understanding:

Nurture - we support and challenge to enable growth.

Educate - we prepare successful lifelong learners.

Achieve - we strive to be the best we can be.

Transform - we provide experience and opportunities that enrich and empower.

Our Values

Our values are the behaviours that ensure we are enacting our common purpose through our strategy and actions and help shape our decision making in achieving our vision.

Aspirational - we aim high for ourselves and others.

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

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

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

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

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Our Vision

During the year we have developed a new vision through collaboration with all of the stakeholder groups associated with the trust. We began with a process of in-depth stakeholder voice to establish current perceptions of the organisation alongside the identification of the vision for the trust. We then evaluated current performance alongside horizon scanning for future challenges and opportunities.

Our vision for 2021 to 2026 is:

- **One trust, working with partners to grow potential**

We have identified how we will know when we have achieved the vision by defining what the trust will look like, aligned to each of the three main aspects of the vision.

One trust

- Highly effective internal and external communication.
- Highly effective and valued systems, processes and services.
- Secure resource to enable continuous improvement and innovative, outstanding practice.

Working with partners

- Reputation for valuing key partners and stakeholders.
- Diverse voices are valued and shape the vision and strategy of the trust.
- Strong internal and external partnerships that add value.
- National influence and international reach

Grow potential

- Recognised as an employer of choice.
- Reputation for delivering excellent academic outcomes.
- Reputation for developing young people who have the skills, knowledge and experiences to gain employment.

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 has grown during the year and now has 6 schools, 4 primary and 2 secondary. In April 2021, the trust sponsored St Hild's, a Church of England secondary school that was judged as inadequate in 2019. The Trust was able to access funding through the Trust Capacity Growth fund to support its growth and through this was able to expand the central services capacity through the appointment of a secondary school improvement lead, strategic lead for digital services and the expansion of the HR support function. To support this work, the trust instigated an external review of central services, systems and processes which supported and shaped our strategic thinking.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Since the inception of the Trust in 2017, we have seen an increase in pupil numbers from 2,275 to our current pupil roll of 3,368. All of our schools are in areas of high social deprivation and the trust average pupil premium figure is currently 54%.

Across the Trust we currently have 4 additionally resourced provisions (ARPs) to support pupils with specific special education needs. Tyneview has a social communication ARP, West Walker has a Social, Emotional and Mental Health ARP, and Benfield has a physical disability ARP and a social communication ARP.

As of the end of the academic year 2020-2021, we had one outstanding OFSTED inspection due for Tyneview Primary School. This was carried out early in September 2021 as a section 8 inspection. The judgement was that the school remained GOOD with many aspects of exemplary practice identified. Currently all trust primary school are judged as GOOD with Benfield currently judged as requires improvement (March 2020).

We are delighted to have a Research School based within the trust, which was designated in July 2019. We have appointed a full time research school lead as well as 7 Evidence Leaders in Education (ELEs) from across the Trust who are providing additional capacity to the organisation. We are currently working across several local authorities as well as having relationships with a range of educational organisations including the Great North Maths Hub, North of Tyne Combined Authority, Three Rivers and Northern Lights Teaching School Hubs. To date we have engaged with over 225 schools.

The academic year 2020-2021 brought a number of challenges to all schools due to the Covid-19 pandemic. Our schools operated in bubbles throughout the year and the additional lockdowns and Covid-19 outbreaks had a significant impact on operations across our schools. The trust developed an approach to remote learning so that all pupils, who were not attending school, were able to access lessons remotely. All schools ensured access to devices and broadband and live lessons were a feature of our schools remote learning offer. We appointed remote learning leads to ensure this remained a strategic focus and we have appointed a strategic lead for digital technology to the trust, to build on this work going forward.

All schools have identified key learning gaps and needs, utilising the Education Endowment Foundation's Supporting Schools Tiered Response model and we developed a bridging curriculum which enabled a focus on key learning gaps as well as supporting mental wellbeing (a key feature of the bridging curriculum). All schools remained open during the whole of the last academic year with an offer for key workers and vulnerable learners in place when required and additional learning opportunities were provided across the Easter and summer holidays.

We appointed a counsellor at the start of the academic year and they provided specific support to identified young people. We provided additional support to families in need and as part of our response, we hand delivered hampers and carried out a wellbeing check on over 1,100 families eligible for free school meals during the Christmas holiday. FSM vouchers were provided to all eligible families during lockdown, holiday periods as well as when they were required to isolate throughout the year.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Context overview of pupils attending NEAT schools during 2020-21

Pupil Premium (PP)

School	2019-20	2020-21
Benfield	61.8%	57.0%
Central Walker	71.4%	75.2%
St Hilds	62.6%	59.7%
Tyneview	46.0%	36.5%
Walkergate	43.6%	49.3%
West Walker	57.8%	69.2%

English as an Additional Language (EAL)

School	2019-20	2020-21
Benfield	17.5%	22.2%
Central Walker	26.8%	26.5%
St Hilds	1.6%	1.9%
Tyneview	4.8%	3.4%
Walkergate	5.2%	7.2%
West Walker	10.6%	7.9%

Special Educational Needs and Disabilities (SEND)

School	2019-20	2020-21
Benfield	18.7%	31.3%
Central Walker	24.4%	24.5%
St Hilds	33.5%	30.3%
Tyneview	14.0%	19.1%
Walkergate	15.5%	27.7%
West Walker	21.2%	30.8%

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Educational Health Care Plan (EHCP)

School	2019-20	2020-21
Benfield	5.3%	3.9%
Central Walker	1.5%	0.7%
St Hilds	1.3%	1.8%
Tyneview	3.9%	11.0%
Walkergate	1.6%	2.0%
West Walker	4.1%	5.0%

The number of pupils qualifying for pupil premium has risen within Central Walker, Walkergate and West Walker and there is an increase in pupils who have English as an additional language.

SEND is also increasing across the Trust and we are seeing a significant increase in the number in the Early Years phase across all of the primary schools. While there is currently a mixed picture regarding the percentage of pupils with an EHCP, Benfield in particular has seen a significant rise in the number of EHCPs during 2020-21. We predict a further rise in EHCP across all schools during the next academic year, based on the level of need that we are seeing in our schools currently.

Achievement and Performance

The outcomes for our schools in 2020-21 are shown below.

Primary performance - Key Stage 2 (% of pupils achieving expected standard)

School	Reading	Writing	Maths	Combined
Central Walker	55%	47%	47%	40%
Tyneview	84%	84%	84%	78%
Walkergate	68%	64%	60%	48%
West Walker	69%	63%	57%	54%

All schools end of KS2 data is based on teacher assessment for the academic year 2020-21 and is significantly below predictions (based on KS1 performance) and previous years (with the exception of Tyneview). Covid absence and disrupted learning has had a significant impact and in spite of the remote learning provision, we have seen gaps in learning and a lack of curriculum coverage.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Secondary performance

Key Stage 4:

School	Progress			Attainment 8		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
Benfield	-0.57	-0.33	-0.80	36.8	42.4	42.1
St Hild's	-0.81	-0.46	-0.26	37.6	43.8	44.0

School	% of pupils achieving grade 4 or higher in English and Maths		% of pupils achieving grade 5 or higher in English and Maths	
	2019-20	2020-21	2019-20	2020-21
Benfield	52.8	61.0	30.2	33.3
St Hild's	60.2	64.3	28.6	41.9

Key Stage 5:

Benfield	Progress			Average Result		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
A Level	-0.53	0.68	0.92	D	B-	B-
Applied General	SUPP*	1.33	0.68	SUPP*	Dist+	Dist+

* SUPP = Suppressed data: This is usually when there are 5 or fewer pupils or students covered by the measure and figures are not made public to protect individual privacy.

All data is based on Centre Assessed Grades (CAGs). While we have seen some improvement against previous years, the progress was not in line with predicted and is not based on formal assessments. Therefore we cannot use this data to inform any real trends around school performance. An increase in academic outcomes remains a key priority.

Pupil Attendance

Pupil attendance continues to be a key priority, but during 2020-21 it was significantly impacted by the Covid-19 pandemic.

School	2019-20	Sep to Mar 2020-21	Apr to Jul 2020-21
Benfield	90.6%	90.1%	84.5%
Central Walker	93.2%	94.1%	94.7%
St Hild's	92.3%	91.3%	90.6%
Tyneview	93.4%	90.0%	92.3%
Walkergate	93.8%	89.1%	94.4%
West Walker	92.5%	83.4%	89.5%

Presenting the data across two parts of the last academic year enables a shared understanding of the impact of Covid during the year. The total number of positive cases for pupils across our trust was 228 students and 46 members of staff.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Operational Performance

The table below provides a comparison for some of the key operational performance indicators for the Trust over the last two years.

% of Total Expenditure	2019-20	2020-21
Teaching staff	44.1%	44.2%
Supply staff	2.1%	3.5%
Education support staff	20.8%	19.3%
Other staff	9.7%	10.5%
Premises	7.2%	7.3%
Teaching resources	4.6%	4.6%
Energy	1.4%	1.3%

One of the key differences between the years is the 1.4% increase in spend on supply staff, which is indicative of some of the challenges of operating during the pandemic, with higher than normal levels of staff absences needing to be covered.

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.

Promoting the success of the company

The Trustees recognise that their role as directors of the company must promote the success of the company, and in doing so must act fairly and have regard to a range of consequences of their decisions on the Trust's long-term viability. These include the interests of employees; business relationships with suppliers, customers and stakeholders; the community and the environment, and our reputation for high standards of business conduct. The Trustees take all their decisions in the best interests of the Trust and our many stakeholders in order that we maintain our good reputation and to further the needs of the communities in which we operate.

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.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Income for the year ended 31 August 2021 was £20,846,000 (2020: £16,491,000) with growth coming as a result of St Hild's joining the Trust in April 2021 and included the donation of some assets. In addition income was received through government funding for capital grants and Covid related costs, including the provision of free school meal vouchers to qualifying parents and additional recovery funding.

During the year total expenditure of £21,757,000 (2020: 17,463,000) was in excess of the grant and other funding by £911,000. When inherited assets and liabilities, restricted fixed asset funds and pension liabilities are stripped out, there was an excess of income over expenditure of £692,000.

At 31 August 2021 the net book value of fixed assets was £22,851,000 (2020: £21,550,000). Growth in fixed assets during the year was the result of donated assets due to St Hild's joining the Trust as well as the donation of laptops for use by pupils from the DFE. In addition capital projects were undertaken at Central Walker and West Walker and Trust made a significant investment in the IT estate. The assets were used exclusively for providing education and associated support to the pupils in the Academies within the Trust.

The current assets of the Trust have increased during the year to £4,443,000, with cash accounting for £2,912,000 of this. While creditors have also increased to £2,817,000, the current ratio has increased from 1.46 in 2020 to 1.58 in 2021 and is evidence for an improvement in the working capital available to the Trust.

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 £11,845,000 (2020: £8,102,000) at the year end, which has been carried forward to 2021/22. It should be noted that this does not present a liquidity problem for the Trust and that contributions to the pension scheme are reviewed every three years 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 across the trust that equates to the equivalent of one month's operating costs (£1,623,000 in 2020-21) to cover working capital 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 £1,519,000 (comprising £133,000 of restricted reserves and £1,386,000 of unrestricted reserves (note 17) and this equates to 94% of the reserves level targeted by the Trust.

Included in unrestricted reserves is a deficit of £56,000 (2020: £1,000 deficit) in relation to the subsidiary NEAT Active Limited. The increase in deficit is due to the exceptional impact of Covid and national lockdowns on the trading activities of NEAT Active during 2020-21. More normal levels of trading have been taking place since the summer and the company is expecting to show a small surplus in 2021-22.

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.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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 2020-21 and it will look to review its approach during 2021-22, 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.

The major risk faced by our Trust this year has been how to operate effectively during the Covid-19 pandemic. The Trust continually reviewed the issues raised by Covid-19, to ensure that the continued operation of its schools were aligned with government guidance and that best practice was adopted. While we have focused on operating as effectively as possible during these challenging circumstances, the most significant risks identified going forward are linked to the disruption to our pupils educational experience and the impact on pupil and staff wellbeing from the extended period of disrupted operation.

The principal financial risks that have been identified are those linked to ensuring that our IT infrastructure is able to support the operational needs of the Trust and provide appropriate levels of security to protect the Trust from cyber risks. In addition risks remain with the condition of some parts of the Trust's estate and in the medium term 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.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

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 be not affordable from core revenue and capital funds. The Trust typically 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. Many of these activities have been severely curtailed during the year due to Covid-19, which has significantly reduced the amount raised through these activities.

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.

Streamlined Energy and Carbon Reporting

NEAT qualifies as a large company, as defined in the Companies Act 2006 and is required to provide a streamlined energy and carbon report detailing the annual energy use (in Kwh) and associated greenhouse gas emissions (in tonnes of carbon dioxide equivalent (Co2e)).

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	2019-20	2020-21
Energy Consumption used to calculate emissions (kWh)	5,619,900	6,248,505
Scope 1 emissions in metric tonnes Co2e		
Gas Consumption	780	858
Owned transport	4	4
Total Scope 1	784	862
Scope 2 emissions in metric tonnes Co2e		
Purchased Electricity	245	282
Scope 3 emissions in metric tonnes Co2e		
Business travel in employee owned vehicles	3	3
Total gross emissions in metric tonnes Co2e	1,032	1,147
Intensity ratio tonnes Co2e per pupil	0.416	0.402

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

NEAT Academy Trust

Trustees' Report for the Year Ended 31 August 2021 (continued)

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes Co2e per pupil, which is the recommended ratio for the sector.

Measures taken to improve energy efficiency

The trust seeks ways to reduce its energy consumption whenever undertaking building works. A significant roof refurbishment project was undertaken during the year at West Walker Primary School, which saw greatly improved insulation included within the works to reduce heat loss from the building.

Plans for Future Periods

Aligned to the trust vision and 5 year strategic plan for the period 2021-26, we have specific priorities for the academic year 2021-22. There is a detailed action plan with measurable milestones which will be used by the board to measure impact of actions and progress during the year. All schools have identified specific priorities linked to the whole trust priorities for the coming academic year and operational plans sit beneath the strategic overview to ensure specific actions are carried out. We are in the process of aligning key priorities to link directors to ensure that there is an overview and evaluation of the impact of actions across the breadth of the trust.

Our strategic priorities for 2021-22 are:

- The Trust operates more effectively through improved systems, processes and communications.
- Stakeholder engagement is strong and shaping strategy.
- Key internal and external partnerships have been strengthened
- Effective relationships lead to growth opportunities
- School performance is improving and capacity to continue to improve is growing.
- A positive trust culture and climate supports ongoing improvement.

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.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board on 15 December 2021 and signed on its behalf by:



R Alston OBE
Trustee

NEAT Academy Trust

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that the 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 the 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 12 times during the period ended 31 August 2021. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Alston - Chair	12	12
D Bailey	12	12
S Beharall	10	12
N Brannen	3	12
S Fooy (resigned 07.05.21)	6	9
N Ifkhar – Co-Vice Chair from 16.12.20	11	12
S Leggetter (appointed 13.10.20)	10	10
A Lister	11	12
A McNall – Co-Vice Chair from 16.12.20	12	12
S Ormerod	12	12
S Strassheim (resigned 15.01.21)	5	5
M White – Vice Chair (resigned 10.11.20)	2	3

Five of the non-executive directors were re-appointed for a further term of office during 2021-22. There were three resignations from the Trust Board and the Board started a process in June 2021 to recruit to these.

The stable membership of the remaining Board members during 2020-21 enabled the Trustees to deepen their understanding of the Trust and its Academies and to continue to progress the three-year Strategic Plan.

NEAT Academy Trust

Governance Statement (continued)

Board's Performance

The Board's main priorities during 2020-21 were:

- The ongoing disruption to schools caused by the Covid-19 pandemic with the second and third national lockdowns taking place in November 2020 and January 2021 respectively, although all Academies remained open to vulnerable pupils with provision for the remainder via remote learning;
- St Hild's Church of England School, Hartlepool joining the trust as a sponsored academy in April 2021, which was the first school to join the trust since conversion and required the trust to rapidly develop the internal capacity required;
- To review the trust's Mission, Vision and Strategy to ensure it has clarity of purpose, direction of travel and strategic priorities for the next five years, developed through engagement with a range of stakeholders;
- To ensure the trust's governance business is driven by the trust's Mission, Vision and Strategy; and
- To ensure the Board and its Committees have the capacity, skills and diversity to be effective in carrying out the core governance functions.

The Board provided appropriate oversight of the performance of its schools during the ongoing disruption, despite the absence of national performance measures, by using internal data (as described in the quality of data section below).

St Hild's Church of England School formally joined the trust in April 2021, with NEAT having been identified as the sponsor by the Regional Schools Commissioner, with the support of the Diocese, in July 2020. The Board also took the opportunity to review its governance arrangements and, in consultation with the Diocese, revised articles of association were agreed by the Members in March 2021, based on the updated DfE model appropriate for mixed multi academy trusts. A bespoke Scheme of Delegation for St Hild's was agreed by the Board to provide an appropriate level of control, which included creating an additional Board-level Monitoring Committee specifically for the school, which would carry out some of the roles and responsibilities usually undertaken by the Local Governing Committee.

The Mission, Vision and Strategy exercise enabled the Board to engage, through a series of workshops, with senior leaders of schools and services and local governing committee members to reshape the trust's common purpose, vision and strategy for 2021-26. This was informed by engagement work undertaken with staff, pupils, parents/carers and external partners, as well as considering the case for change based on trust/school performance and horizon scanning of the internal and external environment. This exercise was largely complete by the end of 2020-21 with the formal approval to be sought at the first Board meeting in 2021-22.

The external review of governance identified the need to ensure that the trust's agreed Mission, Vision and Strategy was driving the business of the Board and its Committees. The Board led the development of a revised governance framework (see governance annual assessment below) with formal approval of the arrangements to be sought at the first Board meeting in 2021-22.

NEAT Academy Trust

Governance Statement (continued)

During 2020-21 the Trust Board developed protocols for the recruitment of non-executive directors and local governing committees to ensure these processes are undertaken in a fair and transparent way that is consistent across the trust and to progress the aim that governance at all levels is diverse and representative of the communities that the trust serves. The Board identified that when recruiting to the three non-executive director vacancies that it needed to strengthen its collective skillset in three key areas (education, finance and legal), as well as increasing the diversity of the Board and ideally attracting someone with knowledge and understanding of Teesside given the trust's geographical expansion. This recruitment exercise started in June 2021 with appointments due to be made in 2021-22.

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 commissioned an external review of governance in Autumn 2020, which involved structured questionnaires and interviews with key personnel (including Trustees, Local Governing Committee Members and Officers) and a document review. The focus was the effectiveness of the Board and the Board committees, although a sample of evidence from the Academy Local Governing Committees was also considered. The findings and recommendations presented to the Board by the external consultant in Spring 2021 identified three key themes:

- **Theme 1 - Vision and Strategy:** To ensure the trust has a clear vision and strategy with buy in from stakeholders, which drives the work of the board and its committees.
- **Theme 2 – Trust Board Development:** To ensure the board is diverse and has effective processes for recruitment, development and succession planning.
- **Theme 3 – Communication and Engagement with Local Governing Committees:** To improve the relationship between the board and its LGCs to ensure that local governors feel valued and the impact of their contribution to governance across the trust is fully realised.

Following engagement with the Local Governing Committee Chairs and Vice Chairs, an initial action plan was considered by the Board in Summer 2021. This included the creation of a time-limited Governance Working Group involving representatives from the Board and its Local Governing Committees to develop a revised governance framework for 2021-22 to address key recommendations in Theme 1. Some actions relating to Themes 2 and 3 were also prioritised with others to be taken forward in 2021-22.

NEAT Academy Trust

Governance Statement (continued)

Audit and Risk Committee

The Audit and Risk Committee is a committee established by the main Board of Trustees. Its purpose is to 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 2021 the Committee reviewed internal assurance reports and ensured actions were taken, identified and managed risks and agreed changes to financial controls. The Committee also considered the future focus of its internal assurance processes and the relationship with risk management, undertaking a procurement process to identify a new internal assurance provider. Attendance at meetings of the Committee in the period was as follows:

Trustee	Meetings attended	Out of a possible
R Alston	4	4
S Fooy (resigned 07.05.21)	1	3
S Leggetter (appointed to committee 21.07.21)	0	0
A Lister – Chair	4	4
S Ormerod	4	4
M White (resigned 10.11.20)	0	0

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:

- The adoption of a blended approach to delivering the curriculum during periods of lockdown has delivered savings in the cost of pupil resources required, with significantly less paper based resources being needed.
- A review of the IT estate during the year identified key investment priorities. This resulted in a significant capital investment in new IT equipment across all of our schools, with purchases being made through public sector frameworks.
- Identifying and securing additional grant funding has enabled the Trust to provide an extensive programme of summer holiday activities across our schools that have supported some of our most vulnerable families.

NEAT Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and 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 and Risk 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 appointed Veritau Ltd as Internal Auditors, to undertake a programme of internal assurance across all operating areas identified on the Trust's risk register.

The programme of internal assurance includes giving advice on our approach to risk and reviewing our assurance reporting procedures as well as performing a range of checks on the Trust's operating procedures. In particular the checks carried out in the current period included a review of :

- Our Information Governance compliance
- All internal and external assurance processes
- Assurance mapping against the Trust's risk register

On a termly basis, Veritau Ltd report to the Board of Trustees on the operation of control and on the discharge of the Board of Trustees' responsibilities.

NEAT Academy Trust

Governance Statement (continued)

The 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 and Risk Committee;
- the work of the external auditor;
- the work of the internal 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.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk 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 15 December 2021 and signed on its behalf by:



R Alston OBE
Trustee

NEAT Academy Trust

Statement of Regularity, Propriety and Compliance

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

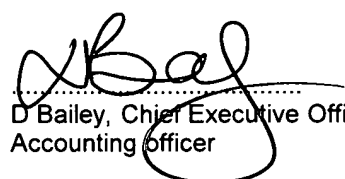
I confirm that I and the academy trust Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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

- During the year it was identified that the academy that had recently joined the Trust had purchased alcohol on one occasion, totalling £20, which was reimbursed to the Trust from an employee collection fund held by the school after the year end. The purchase was as a gift for employees. In line with the Academies Financial Handbook, all purchased alcohol are specifically prohibited, regardless of their funding source. The purchases made by the academy trust are therefore in breach of the Academies Financial Handbook.
- During the year the Academy Trust was in ongoing correspondence with the ESFA regarding a number of Related Party Transactions (RPT) between the Trust and NEAT Active Limited, which is a wholly-owned subsidiary of the Trust. As an Accounting Officer, I am satisfied that best value principles were applied by NEAT Active Limited, in terms of procurements, and that all supply to the Trust was at 'cost'. Any profits generated by NEAT Active Limited, are transferred to the Academy Trust via a gift aid process.

There has potentially been a breach of the Academies Financial Handbook in that the information and evidence provided as part of the approval process did not demonstrate the adequate management of the conflict of interest where a related party was involved in the decision making process.

This issue was resolved with the ESFA in June 2021.



D Bailey, Chief Executive Officer
Accounting Officer

15 December 2021

NEAT Academy Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 of its incoming resources and application of resources, including its 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 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 15 December 2021 and signed on its behalf by:



R Alston OBE
Trustee

NEAT Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of NEAT Academy Trust

Opinion

We have audited the financial statements of NEAT Academy Trust (the 'Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2021, which comprise the Consolidated Statement of Financial Activities for the (including 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 2019 and the Academies Accounts Direction 2020 to 2021 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's affairs as at 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021.

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

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

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

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.

NEAT Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of NEAT 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 and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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 24, 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'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 or to cease operations, or have no realistic alternative but to do so.

NEAT Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of NEAT Academy Trust (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

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.

NEAT Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of NEAT Academy Trust (continued)

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: *16th December 2021*

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

NEAT Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to NEAT Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by NEAT Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available 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;

NEAT Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to NEAT Academy Trust and the Education and 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, except for the matters noted below, 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- During the year it was identified that the academy that had recently joined the Trust had purchased alcohol on one occasion, totalling £20, which was reimbursed to the Trust from an employee collection fund held by the school after the year end. The purchase was as a gift for employees. In line with the Academies Financial Handbook, all purchased alcohol are specifically prohibited, regardless of their funding source. The purchases made by the academy trust are therefore in breach of the Academies Financial Handbook.
- During the year the Academy Trust was in ongoing correspondence with the ESFA regarding a number of Related Party Transactions (RPT) between the Trust and NEAT Active Limited, which is a wholly-owned subsidiary of the Trust. As an Accounting Officer, I am satisfied that best value principles were applied by NEAT Active Limited, in terms of procurements, and that all supply to the Trust was at 'cost'. Any profits generated by NEAT Active Limited, are transferred to the Academy Trust via a gift aid process.

There has potentially been a breach of the Academies Financial Handbook in that the information and evidence provided as part of the approval process did not demonstrate the adequate management of the conflict of interest where a related party was involved in the decision making process.

This issue was resolved with the ESFA in June 2021.

NEAT Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to NEAT Academy Trust and the Education and Skills Funding Agency (continued)

This report is made solely to NEAT 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 NEAT 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 NEAT 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: *16th December 2021*

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

NEAT Academy Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	21	-	1,082	1,103
Transfer from local authority on conversion	28	6	(1,256)	303	(947)
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	19,918	-	19,918
Teaching schools	27	-	41	-	41
Other trading activities	4	730	-	-	730
Investments	5	1	-	-	1
Total		758	18,703	1,385	20,846
Expenditure on:					
Raising funds	6	229	-	-	229
<i>Charitable activities:</i>					
Academy trust educational operations		6	20,794	687	21,487
Teaching schools	27	-	41	-	41
Total		235	20,835	687	21,757
Net income/(expenditure)		523	(2,132)	698	(911)
Transfers between funds		173	(726)	553	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	(4)	(885)	-	(889)
Net movement in funds/(deficit)		692	(3,743)	1,251	(1,800)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		694	(7,969)	21,513	14,238
Total funds/(deficit) carried forward at 31 August 2021		<u>1,386</u>	<u>(11,712)</u>	<u>22,764</u>	<u>12,438</u>

NEAT Academy Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	39	-	49	88
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	15,522	-	15,522
Teaching schools	27	-	118	-	118
Other trading activities	4	754	-	-	754
Investments	5	9	-	-	9
Total		802	15,640	49	16,491
Expenditure on:					
Raising funds	6	488	-	-	488
<i>Charitable activities:</i>					
Academy trust educational operations		5	16,424	465	16,894
Teaching schools	27	-	81	-	81
Total		493	16,505	465	17,463
Net income/(expenditure)		309	(865)	(416)	(972)
Transfers between funds		206	(514)	308	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	25	(191)	(2,060)	-	(2,251)
Net movement in funds/(deficit)		324	(3,439)	(108)	(3,223)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		370	(4,530)	21,621	17,461
Total funds/(deficit) carried forward at 31 August 2020		694	(7,969)	21,513	14,238


NEAT Academy Trust

(Registration number: 10561094)

Consolidated Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	12	22,851	21,550
Current assets			
Debtors	13	1,531	1,103
Cash at bank and in hand		<u>2,912</u>	<u>1,874</u>
		4,443	2,977
Creditors: Amounts falling due within one year	14	<u>(2,817)</u>	<u>(2,040)</u>
Net current assets		<u>1,626</u>	<u>937</u>
Total assets less current liabilities		24,477	22,487
Creditors: Amounts falling due after more than one year	15	<u>(65)</u>	<u>(22)</u>
Net assets excluding pension liability		24,412	22,465
Pension scheme liability	25	<u>(11,974)</u>	<u>(8,227)</u>
Net assets including pension liability		<u><u>12,438</u></u>	<u><u>14,238</u></u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	16	133	133
Restricted fixed asset fund	16	22,764	21,513
Restricted pension fund	16	<u>(11,845)</u>	<u>(8,102)</u>
		11,052	13,544
Unrestricted funds			
Unrestricted income fund	16	<u>1,386</u>	<u>694</u>
Total funds		<u><u>12,438</u></u>	<u><u>14,238</u></u>

The financial statements were approved by the trustees, and authorised for issue on 15 December 2021 and signed on their behalf by:



 R Alston OBE
 Trustee


NEAT Academy Trust

(Registration number: 10561094)

Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	12	22,835	21,532
Current assets			
Debtors	13	1,655	1,152
Cash at bank and in hand		<u>2,705</u>	<u>1,697</u>
		4,360	2,849
Creditors: Amounts falling due within one year	14	<u>(2,790)</u>	<u>(2,018)</u>
Net current assets		<u>1,570</u>	<u>831</u>
Total assets less current liabilities		24,405	22,363
Creditors: Amounts falling due after more than one year	15	<u>(65)</u>	<u>(22)</u>
Net assets excluding pension liability		24,340	22,341
Pension scheme liability	25	<u>(11,845)</u>	<u>(8,102)</u>
Net assets including pension liability		<u>12,495</u>	<u>14,239</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	16	133	133
Restricted fixed asset fund	16	22,764	21,513
Restricted pension fund	16	<u>(11,845)</u>	<u>(8,102)</u>
		11,052	13,544
Unrestricted funds			
Unrestricted income fund	16	<u>1,443</u>	<u>695</u>
Total funds		<u>12,495</u>	<u>14,239</u>

The financial statements were approved by the trustees, and authorised for issue on 15 December 2021 and signed on their behalf by:


 R Alston OBE
 Trustee

NEAT Academy Trust

Consolidated Statement of Cash Flows

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	19	1,973	(56)
Cash flows from investing activities	21	(892)	(318)
Cash flows from financing activities	20	<u>(43)</u>	<u>(28)</u>
Change in cash and cash equivalents in the year		1,038	(402)
Cash and cash equivalents at 1 September		<u>1,874</u>	<u>2,276</u>
Cash and cash equivalents at 31 August	22	<u><u>2,912</u></u>	<u><u>1,874</u></u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

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 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 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.

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 for the financial year of £1,744,000 (2020 - surplus of £3,623,000).

Income

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

Grants

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

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

Investment income

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

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.

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.

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.

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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	Depreciation method and rate
Freehold land and buildings	50 years straight line
Property Improvements	5 - 30 years straight line
Furniture and equipment	7 years straight line
Motor vehicles	4 years straight line
Computer equipment	3 years straight line

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.

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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 14. 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 15. 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.

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.

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

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.

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (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.

Local Government Pension Scheme

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

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £693,000 (2020 - £470,000).

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.

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

1 Accounting policies (continued)

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

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 . Profits generated by the subsidiary will be passed to the academy trust via gift aid.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Other voluntary income					
Educational trips and visits	3	-	-	3	23
Capital grants	-	-	835	835	49
Other donations	18	-	-	18	16
Donated fixed assets	-	-	247	247	-
	<u>21</u>	<u>-</u>	<u>1,082</u>	<u>1,103</u>	<u>88</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>39</u>	<u>-</u>	<u>49</u>	<u>88</u>	

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	14,287	-	14,287	11,176
Start Up Grants	-	131	-	131	-
Other ESFA Group grants	-	3,040	-	3,040	2,404
	-	17,458	-	17,458	13,580
Other government grants					
Local authority grants	-	1,671	-	1,671	1,439
Other Government grants	-	137	-	137	27
	-	1,808	-	1,808	1,466
COVID-19 additional funding (DfE/ESFA)					
Catch-up Premium	-	246	-	246	-
COVID-19 additional funding (non-DfE/ESFA)					
Coronavirus Job Retention Scheme grant	-	8	-	8	-
Coronavirus exceptional support	-	328	-	328	476
Other Coronavirus funding	-	70	-	70	-
	-	406	-	406	476
Total grants	-	19,918	-	19,918	15,522

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	-	15,522	-	15,522

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

The funding received for coronavirus exceptional support covers £644,334 of other support costs. These costs are included in notes 7 and 9 below as appropriate.

The academy furloughed some of its Benefield Sports Centre staff under the government's CJRS. The funding received of £8,324 relates to staff costs in respect of 10 staff which are included within note 8 below as appropriate.

	2021 £ 000	2020 £ 000
Other DfE/ESFA Grants		
Rates reclaim	51	53
Pupil Premium and Service Premium	1,810	1,526
Universal Infant Free School Meals (UiFSM)	93	103
PE and Sports Grant	76	76
Other	472	119
Teachers' Pay Grant	538	527
	<u>3,040</u>	<u>2,404</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Hire of facilities	39	-	-	39	33
Catering income	88	-	-	88	107
Recharges and reimbursements	3	-	-	3	5
Other sales	387	-	-	387	178
Subsidiary income	213	-	-	213	431
	<u>730</u>	<u>-</u>	<u>-</u>	<u>730</u>	<u>754</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>754</u>	<u>-</u>	<u>-</u>	<u>754</u>	

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Short term deposits	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>9</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	
Total 2020	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>	

6 Expenditure

	Non Pay Expenditure			Total 2021 £ 000	Total 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds - direct costs	120	-	109	229	488
Academy's educational operations					
Direct costs	9,277	-	842	10,119	8,293
Allocated support costs	7,085	2,241	2,042	11,368	8,601
Expenses relating to the teaching school activities	<u>41</u>	<u>-</u>	<u>-</u>	<u>41</u>	<u>81</u>
	<u>16,523</u>	<u>2,241</u>	<u>2,993</u>	<u>21,757</u>	<u>17,463</u>
	Non Pay Expenditure			Total 2020 £ 000	
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Total 2020	<u>12,868</u>	<u>1,768</u>	<u>2,827</u>	<u>17,463</u>	

Net income/(expenditure) for the year includes:

	2021 £ 000	2020 £ 000
Operating lease rentals	34	58
Depreciation	693	470
Fees payable to auditor - audit	11	11
Fees payable to auditor - other audit services	<u>2</u>	<u>2</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

7 Charitable activities

	2021 £ 000	2020 £ 000
Direct costs - educational operations	10,119	8,293
Support costs - educational operations	11,368	8,601
	<u>21,487</u>	<u>16,894</u>

	Educational operations £ 000	2021 £ 000	2020 £ 000
Analysis of support costs			
Support staff costs	7,085	7,085	5,089
Depreciation	693	693	470
Technology costs	268	268	185
Premises costs	1,548	1,548	1,298
Other support costs	1,764	1,764	1,551
Governance costs	10	10	8
Total support costs	<u>11,368</u>	<u>11,368</u>	<u>8,601</u>

8 Staff

Staff costs

	2021 £ 000	2020 £ 000
Staff costs during the year were:		
Wages and salaries	11,062	9,058
Social security costs	1,034	814
Operating costs of defined benefit pension schemes	3,715	2,632
	<u>15,811</u>	<u>12,504</u>
Supply staff costs	706	338
Staff restructuring costs	6	26
	<u>16,523</u>	<u>12,868</u>
	2021 £ 000	2020 £ 000

Staff restructuring costs comprise:

Severance payments	<u>6</u>	<u>26</u>
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Staff costs incurred by NEAT Active Limited, which are not included in the above figures are wages and salaries of £165,938 (2020 - £242,321), social security costs of £Nil (2020 - £15,086) and operating costs of defined benefit pension schemes of £4,849 (2020 - £82,558).

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020 - £15,350).

Staff numbers

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

	2021 No.	2020 No.
Charitable Activities		
Teachers	135	134
Administration and support	275	243
Management	9	9
	<u>419</u>	<u>386</u>

Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	4	1
£70,001 - £80,000	3	2
£90,001 - £100,000	1	2
£100,001 - £110,000	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £947,595 (2020 - £901,255).

9 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

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

9 Central services (continued)

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:

	2021 £ 000	2020 £ 000
Benfield School	321	271
Central Walker Church of England Primary School	108	103
St Hild's Church of England School	112	-
Tyneview Primary School	75	72
Walkergate Community School	174	165
West Walker Primary School	67	62
Teaching School	-	2
	<u>857</u>	<u>675</u>

10 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:

D Bailey (Accounting Officer):

Remuneration: £105,000 - £110,000 (2020 - £100,000 - £105,000)

Employer's pension contributions: £25,000 - £30,000 (2020 - £20,000 - £25,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £Nil (2020 - £1,408) were reimbursed or paid directly to trustees (2020 - 2).

Other related party transactions involving the trustees are set out in note 26.

11 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.

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Tangible fixed assets

Group

	Freehold land and buildings £ 000	Property improvements £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost						
At 1 September 2020	21,792	439	219	50	526	23,026
Additions	-	1,138	76	5	509	1,728
Inherited assets	75	7	26	-	158	266
Transfers	-	(1)	1	-	-	-
At 31 August 2021	<u>21,867</u>	<u>1,583</u>	<u>322</u>	<u>55</u>	<u>1,193</u>	<u>25,020</u>
Depreciation						
At 1 September 2020	1,128	22	108	44	174	1,476
Charge for the year	<u>335</u>	<u>73</u>	<u>37</u>	<u>6</u>	<u>242</u>	<u>693</u>
At 31 August 2021	<u>1,463</u>	<u>95</u>	<u>145</u>	<u>50</u>	<u>416</u>	<u>2,169</u>
Net book value						
At 31 August 2021	<u>20,404</u>	<u>1,488</u>	<u>177</u>	<u>5</u>	<u>777</u>	<u>22,851</u>
At 31 August 2020	<u>20,664</u>	<u>417</u>	<u>111</u>	<u>6</u>	<u>352</u>	<u>21,550</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Tangible fixed assets (continued)

Academy Trust

	Freehold land and buildings £ 000	Property improvements £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost						
At 1 September 2020	21,792	439	187	50	526	22,994
Additions	-	1,138	73	5	508	1,724
Inherited assets	75	7	26	-	158	266
Transfers	-	(1)	1	-	-	-
At 31 August 2021	21,867	1,583	287	55	1,192	24,984
Depreciation						
At 1 September 2020	1,128	22	94	44	174	1,462
Charge for the year	335	73	32	6	241	687
At 31 August 2021	1,463	95	126	50	415	2,149
Net book value						
At 31 August 2021	20,404	1,488	161	5	777	22,835
At 31 August 2020	20,664	417	93	6	352	21,532

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

12 Tangible fixed assets (continued)

In respect of Central Walker, 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.

In respect of St Hild's, the academy trust company occupies and (including buildings) which are owned by its Trustees who are The Diocese of Durham. 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.

During the year, the Academy Trust has taken up a 125 year leasehold for the playing fields at the St Hild's Church of England site.

13 Debtors

	2021	Group	Academy Trust	
	2020	2021	2020	
	£ 000	£ 000	£ 000	£ 000
Trade debtors	335	98	308	92
VAT recoverable	119	134	123	133
Other debtors	6	5	6	4
Prepayments	306	117	306	106
Accrued grant and other income	765	749	765	749
Balances due from related entities	-	-	147	68
	<u>1,531</u>	<u>1,103</u>	<u>1,655</u>	<u>1,152</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

14 Creditors: amounts falling due within one year

	Group		Academy Trust	
	2021	2020	2021	2020
	£ 000	£ 000	£ 000	£ 000
Trade creditors	914	598	909	591
Other taxation and social security	288	196	288	196
Other creditors	58	4	57	4
Accruals	602	526	587	516
Deferred income	659	503	653	498
Pension scheme creditor	296	213	296	213
	<u>2,817</u>	<u>2,040</u>	<u>2,790</u>	<u>2,018</u>

Group

	2021	2020
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2020	503	545
Resources deferred in the period	659	503
Amounts released from previous periods	<u>(503)</u>	<u>(545)</u>
Deferred income at 31 August 2021	<u>659</u>	<u>503</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 and swimming lessons relating to academic year 2021/22.

Academy Trust

	2021	2020
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2020	498	420
Resources deferred in the period	653	498
Amounts released from previous periods	<u>(498)</u>	<u>(420)</u>
Deferred income at 31 August 2021	<u>653</u>	<u>498</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 2021/22.

15 Creditors: amounts falling due after one year

	Group		Academy Trust	
	2021	2020	2021	2020
	£ 000	£ 000	£ 000	£ 000
Other loans	<u>65</u>	<u>22</u>	<u>65</u>	<u>22</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

15 Creditors: amounts falling due after one year (continued)

Loans of £21,557 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £3,080 from March 2020.

Loans of £50,000 from ESFA under the Condition Improvement Fund which is provided on the following terms: Interest rate of 1.91% repayable through GAG in monthly instalments of £164 from September 2022.

16 Funds

Group

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	14,287	(13,561)	(726)	-
Start Up Grant	-	131	(131)	-	-
Other DfE/ESFA	-	3,040	(3,040)	-	-
Other Government Grants	-	1,671	(1,671)	-	-
COVID-19 Additional Funding	-	652	(652)	-	-
Other Income	-	137	(137)	-	-
Teaching School	28	41	(41)	-	28
Sink Fund	105	-	-	-	105
Transferred on Conversion	-	46	(46)	-	-
	<u>133</u>	<u>20,005</u>	<u>(19,279)</u>	<u>(726)</u>	<u>133</u>
Restricted fixed asset funds					
Transfer on Conversion	20,869	303	(414)	-	20,758
DfE / ESFA Capital Grant	642	1,082	(271)	553	2,006
Start Up Grant	2	-	(2)	-	-
	<u>21,513</u>	<u>1,385</u>	<u>(687)</u>	<u>553</u>	<u>22,764</u>
Restricted pension funds					
Pension Reserve	(8,102)	(1,302)	(1,556)	(885)	(11,845)
Total restricted funds	<u>13,544</u>	<u>20,088</u>	<u>(21,522)</u>	<u>(1,058)</u>	<u>11,052</u>
Unrestricted funds					
General Fund	<u>694</u>	<u>758</u>	<u>(235)</u>	<u>169</u>	<u>1,386</u>
Total funds	<u><u>14,238</u></u>	<u><u>20,846</u></u>	<u><u>(21,757)</u></u>	<u><u>(889)</u></u>	<u><u>12,438</u></u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Restated incoming resources £ 000	Restated resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	11,175	(11,334)	159	-
Pupil Premium	-	1,554	(1,554)	-	-
Other Grants	-	2,793	(2,793)	-	-
Teaching School	(7)	118	(81)	(2)	28
Sink Fund	105	-	-	-	105
	<u>98</u>	<u>15,640</u>	<u>(15,762)</u>	<u>157</u>	<u>133</u>
Restricted fixed asset funds					
Transfer on Conversion	21,238	-	(369)	-	20,869
DfE / ESFA Capital Grant	371	49	(86)	308	642
Start Up Grant	12	-	(10)	-	2
	<u>21,621</u>	<u>49</u>	<u>(465)</u>	<u>308</u>	<u>21,513</u>
Restricted pension funds					
Pension Reserve	<u>(4,628)</u>	<u>-</u>	<u>(743)</u>	<u>(2,731)</u>	<u>(8,102)</u>
Total restricted funds	17,091	15,689	(16,970)	(2,266)	13,544
Unrestricted funds					
General Fund	<u>370</u>	<u>802</u>	<u>(493)</u>	<u>15</u>	<u>694</u>
Total funds	<u>17,461</u>	<u>16,491</u>	<u>(17,463)</u>	<u>(2,251)</u>	<u>14,238</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

Company

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	14,287	(13,561)	(726)	-
Start up Grant	-	131	(131)	-	-
Other DfE/ESFA	-	3,040	(3,040)	-	-
Other Government Grants	-	1,671	(1,671)	-	-
COVID-19 Additional Funding	-	652	(652)	-	-
Other Income	-	137	(137)	-	-
Teaching School	28	41	(41)	-	28
Sink Fund	105	-	-	-	105
Transferred on Conversion	-	46	(46)	-	-
	<u>133</u>	<u>20,005</u>	<u>(19,279)</u>	<u>(726)</u>	<u>133</u>
Restricted fixed asset funds					
Transfer on Conversion	20,869	303	(414)	-	20,758
DfE / ESFA Capital Grants	642	1,082	(271)	553	2,006
Start Up Grant	2	-	(2)	-	-
	<u>21,513</u>	<u>1,385</u>	<u>(687)</u>	<u>553</u>	<u>22,764</u>
Restricted pension funds					
Pension Reserve	<u>(8,102)</u>	<u>(1,302)</u>	<u>(1,556)</u>	<u>(885)</u>	<u>(11,845)</u>
Total restricted funds	13,544	20,088	(21,522)	(1,058)	11,052
Unrestricted funds					
General Fund	<u>695</u>	<u>705</u>	<u>(130)</u>	<u>173</u>	<u>1,443</u>
Total funds	<u>14,239</u>	<u>20,793</u>	<u>(21,652)</u>	<u>(885)</u>	<u>12,495</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	11,176	(11,333)	157	-
Teaching School	(7)	118	(81)	(2)	28
Sink Fund	105	-	-	-	105
	<u>98</u>	<u>11,294</u>	<u>(11,414)</u>	<u>155</u>	<u>133</u>
Restricted fixed asset funds					
Transfer on Conversion	21,238	-	(369)	-	20,869
DfE / ESFA Capital Grants	371	49	(86)	308	642
Start Up Grant	12	-	(10)	-	2
	<u>21,621</u>	<u>49</u>	<u>(465)</u>	<u>308</u>	<u>21,513</u>
Restricted pension funds					
Pension Reserve	<u>(4,628)</u>	<u>(671)</u>	<u>(743)</u>	<u>(2,060)</u>	<u>(8,102)</u>
Total restricted funds	17,091	10,672	(12,622)	(1,597)	13,544
Unrestricted funds					
General Fund	<u>771</u>	<u>434</u>	<u>(47)</u>	<u>(463)</u>	<u>695</u>
Total funds	<u>17,862</u>	<u>11,106</u>	<u>(12,669)</u>	<u>(2,060)</u>	<u>14,239</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 2021.

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.

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

Total cost analysis by academy

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 2021 £ 000	Total 2020 £ 000
Benfield School	3,877	2,032	325	1,326	7,560	6,574
Central Walker Church of England Primary School	1,513	532	83	396	2,524	2,452
Teaching School	41	-	-	-	41	96
St Hild's Church of England School	1,253	632	142	313	2,340	-
Tyneview Primary School	1,083	428	48	226	1,785	1,693
Walkergate Community School	2,417	852	86	710	4,065	3,827
West Walker Primary School	993	273	65	309	1,640	1,612
NEAT Active Limited	-	-	-	120	120	538
Central services	257	340	92	300	989	1,394
Academy Trust	11,434	5,089	841	3,700	21,064	18,186

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
Benfield School	3,047	1,824	260	1,443	6,574
Central Walker Church of England Primary School	1,169	655	114	513	2,452
Teaching School	32	62	(3)	5	96
Tyneview Primary School	745	582	73	293	1,693
Walkergate Community School	1,963	885	97	882	3,827
West Walker Primary School	733	408	94	376	1,612
NEAT Active Limited	-	-	-	538	538
Central services	-	795	52	547	1,394
Academy Trust	7,689	5,211	687	4,597	18,186

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £ 000	2020 £ 000
Benfield School	-	(753)
Central Walker Church of England Primary School	-	199
St Hild's Church of England School	-	-
Teaching School	-	27
Tyneview Primary School	-	175
Walkergate Community School	-	162
West Walker Primary School	-	92
NEAT Active Limited	(56)	(1)
Central Services	1,575	926
Total before fixed assets and pension reserve	1,519	827
Transfer on Conversion	22,764	21,513
Pension Reserve	(11,845)	(8,102)
Total	12,438	14,238

The Trustees amended the reserves policy during 2020-21 and agreed to the pooling of all school reserves so that they are shown at Trust level only. This better reflects the Trust's approach to the monitoring of reserves to ensure the financial sustainability of the Trust overall. It also enables Trustees to use reserves to support the Trust's strategic priorities across all of its school as they are needed, rather than relying on each school to have sufficient reserves for its own needs.

The trust's trading subsidiary, NEAT Active Ltd showed a loss for the year due to the impact of Covid-19 and the national lockdowns on its trading activities. There has been a positive start to the new financial year and the company is budgeting for a small surplus overall for 2021-22.

17 Analysis of net assets between funds

Group

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	16	-	22,835	22,851
Current assets	4,310	133	-	4,443
Current liabilities	(2,811)	-	(6)	(2,817)
Creditors over 1 year	-	-	(65)	(65)
Pension scheme liability	(129)	(11,845)	-	(11,974)
Total net assets	1,386	(11,712)	22,764	12,438

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

17 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	-	21,532	21,550
Current assets	2,835	133	9	2,977
Current liabilities	(2,034)	-	(6)	(2,040)
Creditors over 1 year	-	-	(22)	(22)
Pension scheme liability	(125)	(8,102)	-	(8,227)
Total net assets	694	(7,969)	21,513	14,238

Academy Trust

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	22,835	22,835
Current assets	4,227	133	-	4,360
Current liabilities	(2,784)	-	(6)	(2,790)
Creditors over 1 year	-	-	(65)	(65)
Pension scheme liability	-	(11,845)	-	(11,845)
Total net assets	1,443	(11,712)	22,764	12,495

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	-	-	21,532	21,532
Current assets	2,707	133	9	2,849
Current liabilities	(2,012)	-	(6)	(2,018)
Creditors over 1 year	-	-	(22)	(22)
Pension scheme liability	-	(8,102)	-	(8,102)
Total net assets	695	(7,969)	21,513	14,239

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

18 Commitments under operating leases

Group

Operating leases - group

At 31 August 2021 the Group had annual commitments under non-cancellable operating leases as follows:

	2021 £ 000	2020 £ 000
Amounts due within one year	37	29
Amounts due between one and five years	51	29
	<u>88</u>	<u>58</u>

Academy Trust

Operating leases - company

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

	2021 £ 000	2020 £ 000
Amounts due within one year	37	29
Amounts due between one and five years	51	29
	<u>88</u>	<u>58</u>

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

	Note	2021 £ 000	2020 £ 000
Net expenditure		(911)	(972)
Depreciation	6	693	470
Capital grants from DfE and other capital income		(835)	(49)
Assets transferred on conversion from the Local Authority		(266)	-
Interest receivable	5	(1)	(9)
Defined benefit pension scheme obligation inherited	25	1,302	-
Defined benefit pension scheme cost less contributions payable	25	1,411	709
Defined benefit pension scheme finance cost	25	145	92
Increase in debtors		(428)	(601)
Increase in creditors		863	304
Net cash provided by/(used in) Operating Activities		<u>1,973</u>	<u>(56)</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

20 Cash flows from financing activities

	2021 £ 000	2020 £ 000
Repayments of borrowing	7	3
Cash inflows from new borrowing	(50)	(31)
Net cash used in financing activities	(43)	(28)

21 Cash flows from investing activities

	2021 £ 000	2020 £ 000
Dividends, interest and rents from investments	1	9
Purchase of tangible fixed assets	(1,728)	(376)
Capital funding received from sponsors and others	835	49
Net cash used in investing activities	(892)	(318)

22 Analysis of cash and cash equivalents

	2021 £ 000	2020 £ 000
Cash at bank and in hand	2,912	1,874
Total cash and cash equivalents	2,912	1,874

23 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash	1,875	1,037	2,912
Loans falling due within one year	(6)	-	(6)
Loans falling due after more than one year	(22)	(43)	(65)
Total	1,847	994	2,841

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £296,421 (2020 - £212,680) were payable to the schemes at 31 August 2021 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,128,130 (2020: £909,521).

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

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Local government pension schemes

Teeside Pension Fund (NEAT 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 2021 was £85,000 (2020 - £Nil), of which employer's contributions totalled £63,000 (2020 - £Nil) and employees' contributions totalled £22,000 (2020 - £Nil). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Middlesbrough Borough Council.

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

	2021 %
Rate of increase in salaries	3.60
Rate of increase for pensions in payment/inflation	2.60
Discount rate for scheme liabilities	1.70
Inflation assumptions (CPI)	<u>2.60</u>

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

	2021
Retiring today	
Males retiring today	21.90
Females retiring today	23.60
Retiring in 20 years	
Males retiring in 20 years	23.30
Females retiring in 20 years	<u>25.40</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2021 £000
Discount rate +0.1%	3,975
Discount rate -0.1%	4,191
Mortality assumption – 1 year increase	3,926
Mortality assumption – 1 year decrease	4,236
CPI rate +0.1%	4,097
CPI rate -0.1%	4,065

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

	2021 £ 000
Property	172
Equities	1,860
Cash and other liquid assets	195
Other	125
Total market value of assets	2,352

The actual return on scheme assets was £164,000 (2020 - £Nil).

Amounts recognised in the statement of financial activities

	2021 £ 000
Current service cost	160
Interest income	(19)
Interest cost	30
Total amount recognised in the SOFA	171

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

	2021 £ 000
Conversion of academy trusts	3,407
Current service cost	160
Interest cost	30
Employee contributions	22
Actuarial (gain)/loss	464
Benefits paid	(2)
At 31 August	4,081

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

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

	2021 £ 000
Conversion of academy trusts	2,105
Interest income	19
Actuarial gain/(loss)	145
Employer contributions	63
Employee contributions	22
Benefits paid	(2)
At 31 August	<u>2,352</u>

Tyne & Wear Pension Fund (NEAT 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 2021 was £990,000 (2020 - £961,000), of which employer's contributions totalled £748,000 (2020 - £756,000) and employees' contributions totalled £242,000 (2020 - £205,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by South Tyneside Council.

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

	2021 %	2020 %
Rate of increase in salaries	4.10	3.70
Rate of increase for pensions in payment/inflation	2.60	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.60</u>	<u>2.20</u>

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	25.10	25.00
Retiring in 20 years		
Males retiring in 20 years	23.60	23.50
Females retiring in 20 years	<u>26.90</u>	<u>26.80</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2021 £000	At 31 August 2020 £000
Discount rate +0.1%	19,989	15,676
Discount rate -0.1%	21,119	16,562
Mortality assumption – 1 year increase	19,784	16,691
Mortality assumption – 1 year decrease	21,325	15,547
CPI rate +0.1%	20,626	16,175
CPI rate -0.1%	20,462	16,047

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

	2021 £ 000	2020 £ 000
Property	834	737
Equities	5,798	4,285
Corporate bonds	2,096	1,834
Government bonds	219	192
Cash and other liquid assets	417	152
Other	1,064	809
Total market value of assets	10,428	8,009

The actual return on scheme assets was £1,586,000 (2020 - £107,000).

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	2,064	1,412
Interest income	(143)	(137)
Interest cost	275	224
Total amount recognised in the SOFA	2,196	1,499

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

	2021 £ 000	2020 £ 000
At start of period	16,111	11,265
Transferred in on existing academies joining the trust	-	1,122
Current service cost	2,064	1,412
Interest cost	275	224
Employee contributions	242	205
Actuarial (gain)/loss	2,009	2,030
Benefits paid	(157)	(147)
At 31 August	20,544	16,111

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

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

	2021 £ 000	2020 £ 000
At start of period	8,009	6,637
Transferred in on existing academies joining the trust	-	451
Interest income	143	137
Actuarial gain/(loss)	1,443	(30)
Employer contributions	748	756
Employee contributions	242	205
Benefits paid	(157)	(147)
At 31 August	<u>10,428</u>	<u>8,009</u>

Tyne & Wear Pension Fund (NEAT Active Limited)

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 2021 was £8,000 (2020 - £42,000), of which employer's contributions totalled £7,000 (2020 - £30,000) and employees' contributions totalled £1,000 (2020 - £12,000). The agreed contribution rates for future years are 36.3 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by South Tyneside Council.

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	4.10	3.70
Rate of increase for pensions in payment/inflation	2.60	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.60</u>	<u>2.20</u>

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	25.10	25.00
Retiring in 20 years		
Males retiring in 20 years	23.60	23.50
Females retiring in 20 years	<u>26.90</u>	<u>26.80</u>

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

Sensitivity analysis

	At 31 August 2021 £000	At 31 August 2020 £000
Discount rate +0.1%	289	243
Discount rate -0.1%	309	260
Mortality assumption – 1 year increase	288	242
Mortality assumption – 1 year decrease	310	260
CPI rate +0.1%	300	252
CPI rate -0.1%	298	250

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

	2021 £ 000	2020 £ 000
Property	14	12
Equities	94	67
Corporate bonds	34	29
Government bonds	4	3
Cash and other liquid assets	7	2
Other	17	13
Total market value of assets	170	126

The actual return on scheme assets was £36,000 (2020 - (£42,000)).

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	5	83
Interest income	(2)	(8)
Interest cost	4	13
Total amount recognised in the SOFA	7	88

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

	2021 £ 000	2020 £ 000
At start of period	251	1,125
Transferred out on existing academies leaving the trust	-	(1,122)
Current service cost	5	83
Interest cost	4	13
Employee contributions	1	12
Actuarial (gain)/loss	38	141
Benefits paid	-	(1)
At 31 August	299	251

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

25 Pension and similar obligations (continued)

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

	2021 £ 000	2020 £ 000
At start of period	126	578
Transferred out on existing academies leaving the trust	-	(451)
Interest income	2	8
Actuarial gain/(loss)	34	(50)
Employer contributions	7	30
Employee contributions	1	12
Benefits paid	-	(1)
At 31 August	170	126

26 Related party transactions

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

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 £27,372 (2020: £43,484), and made sales totalling £166,139 (2020: £64,093).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due from NEAT Active Limited was £146,755 (2020 - £68,473).

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 2020.

At the balance sheet date the amount due to Mr L McNall was £Nil (2020 - £Nil).

Company of Others

N Iftkha, a trustee of the academy trust, is a director.

During the year, the academy trust purchased goods and services totalling £900 (2020: £350).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Company of Others was £Nil (2020 - £Nil).

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

26 Related party transactions (continued)

The Dioceses of Durham and Newcastle

The Right Reverend C Hardman, a member of the academy trust, is a director.

During the year, the academy trust purchased goods and services totalling £3,307 (2020 - £1,505).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to The Dioceses of Durham and Newcastle was £Nil (2020 - £Nil).

Newcastle United Foundation

S Beharall, a trustee of the academy trust, is a member of the senior management team.

During the year, the academy trust purchased goods and services totalling £56,100 (2020 - £Nil).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Newcastle United Foundation was £Nil (2020 - £Nil).

27 Teaching school trading account

	2021 £ 000	2020 £ 000
Income		
Direct Income		
Other income	41	118
Total Income	41	118
Expenditure		
Direct costs		
Direct staff costs	(41)	(31)
Other direct costs	-	3
Total direct costs	(41)	(28)
Other costs		
Support staff costs	-	(48)
Other support costs	-	(5)
Total other costs	-	(53)
Total Expenditure	(41)	(81)
Transfers between funds excluding depreciation	-	(2)
Surplus from all sources	-	35
Teaching school balances at 1 September 2020	28	(7)
Teaching school balances at 31 August 2021	28	28

NEAT Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

28 Conversion to an Academy Trust

On 1 April 2021 the St Hild's Church of England School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to NEAT Academy Trust from the Hartlepool Borough Council Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted fund £ 000	Restricted general fund £ 000	Restricted fixed asset fund £ 000	Total £ 000
Tangible fixed assets				
Leasehold land and buildings	-	-	75	75
Other tangible fixed assets	-	-	191	191
Budget surplus on LA funds	-	46	37	83
Budget surplus on other school funds	6	-	-	6
LGPS pension deficit	-	(1,302)	-	(1,302)
Net assets/(liabilities)	<u>6</u>	<u>(1,256)</u>	<u>303</u>	<u>(947)</u>