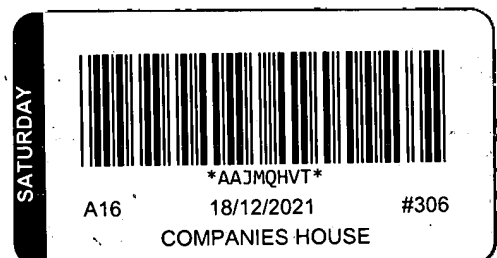


Company Registration No. 08270151 (England and Wales)

**TUDHOE LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**



# TUDHOE LEARNING TRUST

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# TUDHOE LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

B Hilton  
I Whitfield  
D Bowes

### Trustees

A Boustead  
D Bowes  
I Cochrane  
D Collins  
V Ingleton  
J H Smith (Accounting Officer)  
I Whitfield (Chair)  
R Coulson (Appointed 27 May 2021)

### Senior management team

- Chief Executive Officer	J H Smith
- Director of Finance and Business Development	G Pigott
- Associate Headteacher	T Cassap

### Company secretary

G Pigott

### Company registration number

08270151 (England and Wales)

### Academies operated

Victoria Lane Academy  
Stephenson Way Academy and Nursery  
Shield Row Primary School  
Dene House Primary School  
South Hetton Primary  
Tudhoe Colliery Primary School  
Acre Rigg Academy

### Location

Durham  
Durham  
Durham  
Durham  
Durham  
Durham  
Durham

### Principal

J Richardson  
T Page  
J Cooke  
D Turnbull  
L Griffiths  
J Smith  
J Craggs

### Independent auditor

Azets Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
Billingham  
TS22 5TB  
United Kingdom

# TUDHOE LEARNING TRUST

## TRUSTEES' REPORT

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year 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.

Tudhoe Learning Trust operates seven academies for pupils aged 3-11 serving a catchment area in County Durham. It has a pupil capacity of 1886 and had a roll of 1645 in the school spring census 2021.

#### **Structure, governance and management**

##### Constitution

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Trust.

Details of the Directors who served during the year and to the date these financial statements are approved are included in the reference and administrative details on page 1.

##### Members' liability

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

##### Trustees' indemnities

Tudhoe Learning Trust has taken out insurance to protect Trustees and Officers from claims arising from negligent acts, error or omissions occurring whilst on academy business. We also have professional indemnity insurance for Officers.

##### Method of recruitment and appointment or election of trustees

The management of the Trust is the responsibility of the directors who are elected and co-opted under the terms of the Articles of Association.

The membership of the Board is as follows

- Up to three Directors appointed by the Members
- Staff Directors appointed by the Members provided the total number of Directors who are employees does not exceed one third of the total number of Directors.
- The Chief Executive
- Additional Directors if appointed under Articles 61, 61A or 67A
- Further Directors if appointed under Article 62.

The Directors other than the Chief Executive Officer are appointed for a term of four years.

A review of the board was undertaken following a skills audit, a recruitment exercise followed which has ensured our board is made up in line with Education department recommendations. Currently we have two vacancies on the board.

##### Policies and procedures adopted for the induction and training of trustees

The induction and training of new Directors and individual school governors depends on their existing experience. Where necessary induction and training will be provided on charity, educational, legal and financial matters.

New Directors and governors will receive an induction, be given a tour of the schools and a chance to meet the staff. They will be provided with copies of policies procedures and other documents they will need to fulfil their role.

All trustees are provided with access to minutes, policies and procedures.

# TUDHOE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Organisational structure

The Trust comprises seven schools, Tudhoe Colliery Primary School, Acre Rigg Academy, Dene House Primary, South Hetton Primary, Shield Row Primary, Stephenson Way Academy and Nursery and Victoria Lane Academy.

The Members oversee the workings of the Trust and ensure it meets its obligations. The strategy and governance workings group proposes strategy to the Directors for approval. The Board of Directors are the decision makers. They are responsible for setting general policy, adopting the annual development plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. The Chief Executive Officer (CEO) is the Accounting Officer for the Trust.

The chair of each local governing body meet termly to discuss and adopt best practice on governance between the schools.

The individual school heads meet half termly to share information and methods of implementation of strategy. Each individual school has its own local governing body with the remit to run the schools according to the principals of the Trust. There is a scheme of delegation which clearly sets out roles and responsibilities within the Trust.

The Trust has developed and formulated a 5 Year strategic plan.

The CEO is responsible for implementing the policies laid down by the Directors and reporting back to them. He also line managers the head Teacher of the other schools.

### Arrangements for setting pay and remuneration of key management personnel

The Directors consider that they, together with the senior management team (detailed on page 1) comprise the key management personnel of Tudhoe learning Trust in charge of directing and controlling, running and operating h Trust on a day to day basis.

Trust Directors will determine the pay range of the Trust Management Team for a vacancy prior to advertising it.

On appointment directors will determine the starting salary with that range to be offered to the successful candidate.

The Directors give their time freely and no Director other than the CEO and the deputy Head of Tudhoe Colliery Primary School receive a salary in year, however Directors are remunerated for expenses detailed in note 13 if they wish to claim.

As per Tudhoe Learning Trust pay policy all staff with responsibilities for teaching and learning are paid in line with the schools Teachers pay and Conditions (STPC) other personal are paid in line with Durham County Council national pay scales and spinal column points.

The pay and remuneration of CEO, Head teachers are reviewed annually by the Trusts pay review committee. The Committee ensures performance is evaluated against appraisal targets.

# TUDHOE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

##### *Percentage of time spent on facility time*

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

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	108
Total pay bill	7,630,934
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
---------------------------------------------------------------------------------------------	---

#### **Recruitment/selection and equal opportunities**

The Trust has a Recruitment and selection Policy that takes into account safer recruitment and is fully inclusive. In applying the policy the Trust will not unlawfully discriminate in respect of any characteristic as defined under the Equality Act.

The Trust employs a Human Resource Manager who monitors the operation of all trust policies and procedures to ensure it is a fair and equitable framework in which it operates in.

#### **Communication**

Within all Trust schools there would be various meetings held by the Head or Deputy Head Teacher to ensure all staff are communicated with. Each school has its own governing body who have termly meetings. Each Head teacher attends the Heads meetings when a representative then is asked to attend the Directors meeting. Chair of Governors attends the termly Chair of Governors meetings.

#### **Consultation**

Communication takes place locally with each school via staff meeting and then extra meetings are called if there are any specific issues to be discussed or information that requires sharing.

#### **Performance Schemes**

We have a very rigid and formal pay scale structure that does not allow for reward link remuneration. However the leadership team and teachers only progress through their pay scale with performance management.

# TUDHOE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Economic Factor affecting the Trust**

Our biggest risk is the reduction of pupil numbers which would currently reduce funding from the ESFA. The Trust is aware of the need to recruit and retain suitable staff members with succession planning in mind. Changes in government policy could also affect the Trust.

Facilities and buildings are old and submission to grant funds such as the Condition Improvement Fund are made where possible to assist with the costs of replacing. In 2020/21 we were successful in the replacement of the windows and remove asbestos at Acre Rigg Academy and replacing the boiler at Stephenson Way Academy and Nursery.

### **Objectives and activities**

#### Objects and aims

Founded in 2012, Tudhoe Learning Trust is a family of seven schools, each with its own identity and heritage, with a collective aim: To work and learn together, always striving to ensure our pupils achieve their full potential and develop the skills and knowledge required for an ever-changing world.

Our 5 year strategic plan clearly lays out our vision, values and distinctive features of our Trust, as we grow to develop more strategic ways of working which enable us to:

- Develop the capacity of staff within the Trust
- Ensure economic efficiencies across the Trust
- Develop business opportunities across the Trust which will include supporting other schools
- Work strategically with the Department of Education (D of E) and Regional Schools Commissioner
- Implement robust and purposeful management systems
- The Trust has fit for purpose Governance
- The Trust develops outstanding schools that learn from each other.

#### Public benefit

The trustees have paid due regard to guidance on public benefit issued by the Charity Commission 'Public benefit running a charity' (PB2) in setting objectives and aims and planning what activities the Trust should undertake. All charitable activities are undertaken to further the advancement of education to all students in its care and partnership organisations in the wider community.

### **Strategic report**

#### **Achievements and performance**

The pandemic has obviously had a major impact upon our children's education, however, despite the disruption we provided a first-class education, both face to face and remotely. The ingenuity and resilience of colleagues has been nothing short of inspirational... an exceptional achievement and I would like to express my gratitude to every member of staff across the Trust for their commitment, bravery and humour during this last twelve months. Thank you.

# TUDHOE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Review of Year

Another year severely disrupted by Covid unfortunately. During this time we have focussed on making the Trust better rather than bigger, with a lot of inhouse training and reviews of systems carried out by senior colleagues remotely. We feel that this has improved our capacity greatly despite the difficulties and look forward to working with a DfE appointed NLE next year to improve even further.

In April 2020, at a time when schools were working out how to educate their pupils remotely, provide key worker provision, feed pupils at home and support their communities, a group of teachers in schools around the country committed to creating high quality lessons weekly to support the system. With a few days' notice, they created lessons in time for the start of the Summer Term.

#### Key performance indicators

In response to the Covid 19 pandemic the D of E cancelled the national curriculum assessments and associated data collections. Therefore we feel we are unable to provide KPI for this period. Attendance data has taken a massive decline and is not reflective of the Trust therefore it will give a false picture to report on this. However we are financially stable, we have well-established systems and personnel. Tudhoe Learning Trust is in a good position to meet the challenges still to come.

#### Going concern

After making appropriate enquiries, the board of directors has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statement. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

#### Financial review

##### Income and Expenditure

Most of the Trust's income is obtained for the DfE via the Education and Skills Funding Agency (ESFA), in the form of General Annual Grant, the use of which is restricted to particular purposes. The grants received and the associated expenditure are shown as restricted funds in the statement of financial activities.

Early Years funding and SEN funding was received from Durham County Council.

Covid 19 resulted in schools being closed for all but key workers for a lot of the academic year, lessons were delivered online however this resulted in expenditure being reduced in most schools and enabled small reserves to be built up.

We were successful in receiving a CIF grant for £282,944 against a project cost of £314,444 which enabled us to replace the boiler at Stephenson Way Academy without this grant we would have had major problems with the heating.

Total revenue income was £9,604,183 and expenditure was £9,915,063 including CIF repair costs, with a net transfer of £634,710 being made from capital to revenues funds in respect of those CIF costs. Excluding the movement on capital funds and the pension reserve the in year surplus was £323,830.

The provisions of FRS 102 relating to retirement benefits have been applied resulting in an increase in the pension deficit of £1.046m. The deficit is now £9,084m.

All the expenditure in the year was in line with the Trust's objectives.

At 31 August 2021 the net book value of fixed assets was £13,471,481 and the movement in the year are shown in note 13. All the assets are used exclusively for providing education and associated support services to the pupils of the Trust.

At 31 August 2021 the Trust held fund balances (excluding the pension deficit) of £1,230,749 comprising of £664,117 restricted funds and £586,632 unrestricted funds.



# TUDHOE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Reserves policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitment and the nature of reserves.

The main financial risk to the Trust is that of managing its short term cashflow efficiently. To mitigate this risk it has been agreed that an appropriate reserve balance would equate to 4 weeks worth of salary expenditure for each school being approximately £350k.

The Trust currently holds unrestricted funds of £586,632 and General Annual Grant of £538,683, plus other restricted revenues funds of £105,434 (see note 19) included within unrestricted funds is £107,235 of designated funds which are pots held by the Trust for self insurance absence. This is explained in note 19.

Total free reserves (including the designated reserves) are £586,632.

Total reserves are £5654,324 which includes restricted fixed asset reserves of £13,507,575.

The Trust has a pension deficit of £9.084m but a recovery plan is in place. In April the Trust started contributing a % to fund the deficit, which was added to the pension costs and this is recovered on a monthly basis through the payroll. No reserves will be used to fund the deficit.

### Investment policy

The Trust invests surplus funds in an interest bearing account. The return on the investee is reviewed before the investment is made to ensure there is a maximum return, whilst minimising risks to the sum invested. At the year end £xxx was placed on deposit.

### Principal risks and uncertainties

Tudhoe Learning Trust has been through a process to assess its current and future risks and to identify and implement strategies for addressing risks. The risk register is reviewed by the Trust board of Directors on an annual basis.

Risks include

Physical Assets

Business Continuity

Financial

Technological

Third Party Liability

Environmental

Legal and compliance

Market and sector

Personnel

Political

Increasing costs relating to staff pay and conditions.

Our biggest risk is the reduction of pupil numbers which would currently reduce funding from the ESFA. The Trust is aware of the need to recruit and retain suitable staff members and is considering succession planning for members of the leadership team.

# **TUDHOE LEARNING TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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Changes to government policy are kept under review and risks to the organisation assessed. The Trust is aware of risk and is proactive.

The Trust considers that there are systems and internal controls in place to identify and minimise any risks, but however recognise there are a number of ongoing risks:

- Unable to continue to secure revenue to fund the ongoing business of the MAT and its academies
- Being unable to increase the number of pupils in each school
- Impact on pension liabilities on academies running costs
- Future changes to education legislation and ESFA funding
- Achievement of a Good or Outstanding OFSTED grade
- Continuing to secure and retain good quality teachers
- Financial pressures resulting on having to set a deficit budget
- The lack of capital funding and maintaining our buildings to a suitable standard.

#### **Fundraising**

This is a minor part of the activities we undertake as a Trust, all fundraising is carried out in schools by Teachers and Teaching Assistants and is mostly aimed at parents and families. An example of what we would raise funds for would be 'Children in Need' or 'Non Uniform Day'. All funds raised are either for the benefit of charities where this would be paid over in full. Where funds are raised for the school this is usually ring-fenced for a specific purpose.

We do not engage any professional fundraisers.

All fundraising is monitored by the Trust finance department.

Any complaints would fall under our complaints policy and would be handled under this policy.

All money raised is voluntary and no cold calling is undertaken.

#### **Plans for future periods**

Along with colleagues across the sector our aim is to get our children back into school, keep them in school and maximise their time within school. We will implement a curriculum which is rich in opportunities and support for the wellbeing issues our children are facing. As a Trust we feel we have the capacity to grow further, and we will be looking forward to having discussions with the RSC once our two RI schools are deemed good by Ofsted. We will also be looking to strengthen the Board and increase the number of Members.

# TUDHOE LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Auditor**

Insofar as the Directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Directors 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.

The Directors appointed Azets as the Trusts external auditors from February 2020. Clive Owen have been appointed as internal auditors.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2021 and signed on its behalf by:

I Whitfield  
Chair

I Whitfield 16/12/21

# TUDHOE LEARNING TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that Tudhoe Learning Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and no absolute assurance against material misstatement off loss.

As Directors we have reviewed and taken account of the guidance in DfE Governance Handbook and competency framework for governance.

The Board of Directors has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirement of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Tudhoe Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included her supplements that described in the directors' report. The Board of Directors has formally met 3 times during the year however because of Covid it has been necessary to carry out all meetings virtually.

In the current year the committee discussed, reviewed and approved budgets, received and approved the annual accounts and discussed and approved a number of updated policies and procedures.

Trustees	Meetings attended	Out of possible
A Boustead	3	3
D Bowes	3	3
I Cochrane	3	3
D Collins	3	3
V Ingleton	3	3
J H Smith (Accounting Officer)	3	3
I Whitfield (Chair)	3	3
R Coulson (Appointed 27 May 2021)	1	1

Ad hoc meetings are held between the CEO and the Chair of the Trust to keep up to date with any developments. The board therefore feels it is not necessary to meet more frequently. Management Accounts are circulated to all Directors monthly.

Over the last twelve months a number of planned and incremental changes, some of which are still ongoing have been implemented, this followed a meeting with the RSC to review our governance arrangements. We have appointed a new governor who complements the skills of the trustees on the board. All new governors receive an induction as part of their training.

The Trust top slices 4.9% of income from our schools to fund central expenditure. A review is undertaken on an annual basis to ensure the capacity within the Trust enable us to fulfil our strategic direction.

# TUDHOE LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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The Audit committee is a sub committee of the main board of directors. Its purpose is to work closely with the CEO and the Director of Business Finance and Development.

The committee is tasked with looking at governance, academy performance against targets, staff management and performance, financial management, academy procedures and premises and assets. They also review the risk register and receive any updates from internal and external audit.

The board meets 3 times per year on a formal basis .

Trustees	Meetings attended	Out of possible
J Smith (CEO and Accounting Officer)	3	3
I Whitfield	3	3
D Collins	3	3
D Bowes (Chair)	3	3
G Pigott (CFO)	3	3

#### Review of value for money

As Accounting Officer , the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Office understands that value for money refers to the educational and wider society outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of 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 appropriate. The Trust has carried out detailed benchmarking using "School Resources Management self-Assessment Dashboard tool" for all schools within the Trust. The Accounting Officer for the trust has delivered improved value for money during the year by:

The Trust reviewed its spend and the use of multiple staffing agencies. We negotiated a master vender arrangement with one agency and all the schools within the Trust now use the same company and get charged the same rate.

A review was undertaken of the Catering facilities within the Trust however on presenting the evidence to Directors a decision was made that best value was to retain our current provision.

#### 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 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 Tudhoe Learning Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

#### Capacity to handle risk

The Board of Directors has reviewed the key risk to which the Trust is exposed together with the operation financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying , evaluating and managing the Trust's significant risks that have been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

# TUDHOE LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **The risk and control framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors
- Regular reviews by the Audit committee of reports which indicate financial performance against the forecast 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
- Identification and management of risks

The Board of Directors has considered the need for a specific internal audit function and Clive Owen are engaged to provide their services to enable the Directors to carry out their responsibility for internal assurance.

The Directors of the Trust have set up a four year programme to enable the internal auditor to perform a range of checks throughout the Trust. In 2020/21 their programme included

- Income and cash security
- Pupil premium

On an annual basis the internal auditors report will be presented to the audit committee with any actions recommended and what actions have been taken.

The programme of work was completed as planned and no significant issues were found. Minor improvements have been recommended and these will be implemented.

### **Review of effectiveness**

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

- The work of the auditors
- The financial management and governance self – assessment programme and school resource management self- assessment tool
- The work of the executive managers within academy trust who have responsibility for the development and maintenance of the internal control framework.

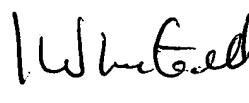
The Accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weakness and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 10 December 2021 and signed on its behalf by:

J H Smith  
Accounting Officer



I Whitfield  
Chair

 16/12/21

# **TUDHOE LEARNING TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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

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

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



J H Smith  
**Accounting Officer**

10 December 2021

# TUDHOE LEARNING TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 10 December 2021 and signed on its behalf by:

I Whitfield  
Chair

I Whitfield 16/12/21



# **TUDHOE LEARNING TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TUDHOE LEARNING TRUST**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Opinion**

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

In our opinion the accounts:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

# **TUDHOE LEARNING TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TUDHOE LEARNING TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the accounts**

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

# TUDHOE LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TUDHOE LEARNING TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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

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

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

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

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

# TUDHOE LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TUDHOE LEARNING TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### Use of our report

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

*Azets Audit Services*

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

16/12/2021

.....

Statutory Auditor

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

# **TUDHOE LEARNING TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TUDHOE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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In accordance with the terms of our engagement letter dated 8 October 2021 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 Tudhoe Learning 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.

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

### **Respective responsibilities of Tudhoe Learning Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Tudhoe Learning Trust's funding agreement with the Secretary of State for Education dated 18 December 2012 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

# TUDHOE LEARNING TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TUDHOE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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The work undertaken to draw to our conclusion includes:

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

### Conclusion

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

*Azets Audit Services*

**Reporting Accountant**

Azets Audit Services

Dated: .....16/12/2021

# TUDHOE LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	10,530	-	399,429	409,959	556,772
Charitable activities:						
- Funding for educational operations	4	57,401	9,408,291	-	9,465,692	8,987,939
Other trading activities	5	127,788	-	-	127,788	87,518
Investments	6	173	-	-	173	585
<b>Total</b>		195,892	9,408,291	399,429	10,003,612	9,632,814
<b>Expenditure on:</b>						
Raising funds	7	86,912	-	-	86,912	89,332
Charitable activities:						
- Educational operations	9	58,011	10,394,140	356,810	10,808,961	9,772,013
<b>Total</b>	7	144,923	10,394,140	356,810	10,895,873	9,861,345
<b>Net income/(expenditure)</b>		50,969	(985,849)	42,619	(892,261)	(228,531)
Transfers between funds	19	-	634,710	(634,710)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial losses on defined benefit pension schemes	21	-	(422,000)	-	(422,000)	(1,388,000)
<b>Net movement in funds</b>		50,969	(773,139)	(592,091)	(1,314,261)	(1,616,531)
<b>Reconciliation of funds</b>						
Total funds brought forward		535,663	(7,666,744)	14,099,666	6,968,585	8,585,116
Total funds carried forward		586,632	(8,439,883)	13,507,575	5,654,324	6,968,585

# TUDHOE LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds	Restricted funds:		Total 2020
		£	General	Fixed asset	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	14,830	16,702	525,240	556,772
Charitable activities:					
- Funding for educational operations	4	151,850	8,836,089	-	8,987,939
Other trading activities	5	87,518	-	-	87,518
Investments	6	585	-	-	585
<b>Total</b>		<u>254,783</u>	<u>8,852,791</u>	<u>525,240</u>	<u>9,632,814</u>
<b>Expenditure on:</b>					
Raising funds	7	89,332	-	-	89,332
Charitable activities:					
- Educational operations	9	84,694	9,353,337	333,982	9,772,013
<b>Total</b>	7	<u>174,026</u>	<u>9,353,337</u>	<u>333,982</u>	<u>9,861,345</u>
<b>Net income/(expenditure)</b>		80,757	(500,546)	191,258	(228,531)
Transfers between funds	19	-	(8,270)	8,270	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	21	-	(1,388,000)	-	(1,388,000)
<b>Net movement in funds</b>		80,757	(1,896,816)	199,528	(1,616,531)
<b>Reconciliation of funds</b>					
Total funds brought forward		454,906	(5,769,928)	13,900,138	8,585,116
Total funds carried forward		<u>535,663</u>	<u>(7,666,744)</u>	<u>14,099,666</u>	<u>6,968,585</u>



# TUDHOE LEARNING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	13,471,481	13,604,612
<b>Current assets</b>			
Stocks	14	-	14,968
Debtors	15	582,043	805,978
Cash at bank and in hand		1,521,527	1,205,469
		2,103,570	2,026,415
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(795,090)	(585,501)
<b>Net current assets</b>		1,308,480	1,440,914
<b>Total assets less current liabilities</b>		14,779,961	15,045,526
Creditors: amounts falling due after more than one year	17	(41,637)	(38,941)
<b>Net assets before defined benefit pension scheme liability</b>		14,738,324	15,006,585
Defined benefit pension scheme liability	21	(9,084,000)	(8,038,000)
<b>Total net assets</b>		5,654,324	6,968,585
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	19		
- Fixed asset funds		13,507,575	14,099,666
- Restricted income funds		644,117	371,256
- Pension reserve		(9,084,000)	(8,038,000)
<b>Total restricted funds</b>		5,067,692	6,432,922
<b>Unrestricted income funds</b>	19	586,632	535,663
<b>Total funds</b>		5,654,324	6,968,585

The accounts on pages 21 to 48 were approved by the trustees and authorised for issue on 10 December 2021 and are signed on their behalf by:

I Whitfield  
Chair

 16/12/21

Company Number 08270151

# TUDHOE LEARNING TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	22		135,939		(482,806)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		173		585	
Capital grants from DfE Group		301,223		525,240	
Purchase of tangible fixed assets		(125,473)		(83,505)	
<b>Net cash provided by investing activities</b>			175,923		442,320
<b>Cash flows from financing activities</b>					
Repayment of other loan		4,196		(9,524)	
<b>Net cash provided by/(used in) financing activities</b>			4,196		(9,524)
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			316,058		(50,010)
Cash and cash equivalents at beginning of the year			1,205,469		1,255,479
<b>Cash and cash equivalents at end of the year</b>			1,521,527		1,205,469

# TUDHOE LEARNING 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.

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

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

###### Grants

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

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

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

###### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

###### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

(Continued)

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

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

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

#### 1.5 Tangible fixed assets and depreciation

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

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

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **1 Accounting policies**

**(Continued)**

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land & buildings	125 years
Leasehold improvements	10 years
Computer equipment	5 years
Fixtures, fittings & equipment	10 years

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

#### **1.6 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### **1.7 Leased assets**

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

#### **1.8 Financial instruments**

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

##### Financial assets

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

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

##### Financial liabilities

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

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

#### **1.9 Stock**

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### **1.10 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

(Continued)

#### 1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.12 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

##### Land and buildings

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

##### Depreciation

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

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	98,206	98,206	-
Capital grants	-	301,223	301,223	525,240
Other donations	10,530	-	10,530	31,532
	<u>10,530</u>	<u>399,429</u>	<u>409,959</u>	<u>556,772</u>

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	7,106,765	7,106,765	6,803,862
Other DfE / ESFA grants:				
UFSM	-	146,740	146,740	155,801
Pupil premium	-	975,275	975,275	956,844
Teachers pension grants	-	248,505	248,505	247,364
Teachers pay grants	-	77,831	77,831	77,427
PE and sports premium	-	125,960	125,960	125,940
Rates	-	27,252	27,252	20,150
Others	-	4,550	4,550	1,111
	-	8,712,878	8,712,878	8,388,499
<b>Other government grants</b>				
Local authority grants	-	545,778	545,778	440,278
<b>Covid-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	127,360	127,360	-
Other DfE/ESFA Covid-19 funding	-	280	280	7,312
	-	127,640	127,640	7,312
<b>Covid-19 additional funding (non-DfE/ESFA)</b>				
Other Covid-19 funding	-	21,995	21,995	-
<b>Other funding</b>				
Catering	57,401	-	57,401	50,888
Other incoming resources	-	-	-	100,962
	57,401	-	57,401	151,850
<b>Total funding</b>	57,401	9,408,291	9,465,692	8,987,939

The trust received £127,360 of funding for catch-up premium and costs incurred in respect of this funding totalled £120,185, with the remaining £7,175 to be spent in 2021/22.



# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Hire of facilities	8,913	-	8,913	8,170
Catering income	1,327	-	1,327	4,924
Parental contributions	18,014	-	18,014	18,829
Other income	99,534	-	99,534	55,595
	<u>127,788</u>	<u>-</u>	<u>127,788</u>	<u>87,518</u>

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	<u>173</u>	<u>-</u>	<u>173</u>	<u>585</u>

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
- Direct costs	55,545	-	31,367	86,912	38,778
- Allocated support costs	-	-	-	-	50,554
Academy's educational operations					
- Direct costs	6,157,569	-	490,729	6,648,298	6,521,971
- Allocated support costs	1,889,875	1,518,669	752,119	4,160,663	3,250,042
	<u>8,102,989</u>	<u>1,518,669</u>	<u>1,274,215</u>	<u>10,895,873</u>	<u>9,861,345</u>

#### Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	10,850	9,950
- Other services	3,600	4,500
Operating lease rentals	52,365	21,325
Depreciation of tangible fixed assets	356,810	333,982
Net interest on defined benefit pension liability	<u>132,000</u>	<u>109,000</u>

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 8 Central services

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

- Teaching staff (including time spent by CEO on running the Trust)
- Finance and administrative staff
- Early years leadership
- Associate head and advisory work

The Trust charges for these services via a recharge of 4.9% of budgeted income.

The amounts charged during the year were as follows:	2021 £	2020 £
Victoria Lane Academy	50,810	50,810
Stephenson Way Academy and Nursery	86,298	86,298
Shield Row Primary School	47,741	47,741
Dene House Primary School	74,879	74,879
South Hetton Primary	56,712	56,712
Tudhoe Colliery Primary School	49,679	49,679
Acre Rigg Academy	68,905	68,905
	<u>435,024</u>	<u>435,024</u>

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Direct costs</b>				
Educational operations	-	6,648,298	6,648,298	6,521,971
<b>Support costs</b>				
Educational operations	58,011	4,102,652	4,160,663	3,250,042
	<u>58,011</u>	<u>10,750,950</u>	<u>10,808,961</u>	<u>9,772,013</u>

	2021 £	2020 £
<b>Analysis of support costs</b>		
Support staff costs	1,889,875	1,811,304
Depreciation	356,810	333,982
Technology costs	102,727	115,937
Premises costs	1,161,859	398,935
Legal costs	2,461	1,968
Other support costs	626,703	573,678
Governance costs	20,228	14,238
	<u>4,160,663</u>	<u>3,250,042</u>

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	5,701,013	5,567,695
Social security costs	543,824	517,605
Pension costs	1,770,902	1,730,340
Staff costs - employees	8,015,739	7,815,640
Agency staff costs	62,297	56,504
Staff restructuring costs	24,953	847
	8,102,989	7,872,991
Staff development and other staff costs	41,868	39,638
Total staff expenditure	8,144,857	7,912,629

Staff restructuring costs comprise:

Redundancy payments	24,953	847
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#### Staff numbers

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

	2021 Number	2020 Number
Teachers	83	91
Administration and support	140	141
Management	2	3
	225	235

#### Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	5	3
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 10 Staff

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £354,225 (2020: £348,798).

### 11 Trustees' remuneration and expenses

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

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

J H Smith (Chief Executive Officer and Accounting Officer):

- Remuneration £130,001- £135,000 (2020: £125,001-£130,000)
- Employer's pension contributions £30,001 - £35,000 (2020: £30,001-£35,000)

A Boustead (Deputy Head):

- Remuneration £60,001 - £65,000 (2020: £55,001-£60,000)
- Employer's pension contributions £10,001 - £15,000 (2020: £10,001-£15,000)

During the year, travel and subsistence payments totalling £nil (2020: £192) were reimbursed or paid directly to 0 trustees (2020: 1 trustee).

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

### 12 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was £588 (2020: £1,165). The cost of this insurance is included in the total insurance cost.

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 13 Tangible fixed assets

	Leasehold land & buildings £	Leashold improvements £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 September 2020	12,334,141	1,896,131	355,874	317,079	14,903,225
Additions	-	-	204,142	19,537	223,679
Disposals	-	-	(196,076)	-	(196,076)
At 31 August 2021	12,334,141	1,896,131	363,940	336,616	14,930,828
<b>Depreciation</b>					
At 1 September 2020	617,465	274,032	255,481	151,635	1,298,613
On disposals	-	-	(196,076)	-	(196,076)
Charge for the year	98,673	162,777	62,824	32,536	356,810
At 31 August 2021	716,138	436,809	122,229	184,171	1,459,347
<b>Net book value</b>					
At 31 August 2021	11,618,003	1,459,322	241,711	152,445	13,471,481
At 31 August 2020	11,716,676	1,622,099	100,393	165,444	13,604,612

### 14 Stocks

	2021 £	2020 £
School supplies	-	14,968

### 15 Debtors

	2021 £	2020 £
Trade debtors	8,892	2,989
VAT recoverable	30,326	32,942
Other debtors	1,328	203
Prepayments and accrued income	541,497	769,844
	582,043	805,978

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 16 Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	8,553	7,053
Trade creditors	5,349	6,977
Other taxation and social security	129,808	127,712
Other creditors	142,629	137,785
Accruals and deferred income	508,751	305,974
	<u>795,090</u>	<u>585,501</u>

### 17 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans	<u>41,637</u>	<u>38,941</u>
<b>Analysis of loans</b>	<b>2021 £</b>	<b>2020 £</b>
Not wholly repayable within five years by instalments	50,190	45,994
Less: included in current liabilities	(8,553)	(7,053)
Amounts included above	<u>41,637</u>	<u>38,941</u>
Instalments not due within five years	<u>7,424</u>	<u>10,729</u>
<b>Loan maturity</b>		
Debt due in one year or less	8,553	7,053
Due in more than one year but not more than two years	8,553	7,053
Due in more than two years but not more than five years	25,660	21,160
Due in more than five years	7,424	10,728
	<u>50,190</u>	<u>45,994</u>

### 18 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>113,105</u>	<u>134,656</u>

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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<b>18</b>	<b>Deferred income</b>		<b>(Continued)</b>
	Deferred income at 1 September 2020	134,656	102,345
	Released from previous years	(134,656)	(102,345)
	Resources deferred in the year	113,105	134,656
		<u>          </u>	<u>          </u>
	<b>Deferred income at 31 August 2021</b>	<b>113,105</b>	<b>134,656</b>
		<u>          </u>	<u>          </u>

Deferred income includes rates relief, universal infant free school meals funding and trip income received in advance of the following academic year.

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	274,858	7,106,765	(7,491,240)	648,300	538,683
Start up grants	95,288	-	(925)	-	94,363
UIFSM	-	146,740	(146,740)	-	-
Pupil premium	-	975,275	(961,685)	(13,590)	-
Teachers pension grants	-	248,505	(248,505)	-	-
Teachers pay grants	-	77,831	(77,831)	-	-
PE and sports premium	-	125,960	(125,960)	-	-
Rates	-	27,252	(27,252)	-	-
Covid-19 catch up premium	-	127,360	(120,185)	-	7,175
Other DfE/ESFA Covid-19 funding	-	280	(280)	-	-
Other DfE / ESFA grants	1,110	4,550	(5,660)	-	-
Other government grants	-	567,773	(563,877)	-	3,896
Pension reserve	(8,038,000)	-	(624,000)	(422,000)	(9,084,000)
	<u>(7,666,744)</u>	<u>9,408,291</u>	<u>(10,394,140)</u>	<u>212,710</u>	<u>(8,439,883)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	10,991,072	-	(104,051)	-	10,887,021
DfE group capital grants	3,009,606	301,223	(194,225)	(830,138)	2,286,466
Capital expenditure from GAG	98,988	-	(43,860)	195,428	250,556
Donated assets	-	98,206	(14,674)	-	83,532
	<u>14,099,666</u>	<u>399,429</u>	<u>(356,810)</u>	<u>(634,710)</u>	<u>13,507,575</u>
<b>Total restricted funds</b>	<u>6,432,922</u>	<u>9,807,720</u>	<u>(10,750,950)</u>	<u>(422,000)</u>	<u>5,067,692</u>
<b>Unrestricted funds</b>					
General funds	459,827	195,892	(144,923)	(31,399)	479,397
Designated funds	75,836	-	-	31,399	107,235
	<u>535,663</u>	<u>195,892</u>	<u>(144,923)</u>	<u>-</u>	<u>586,632</u>
<b>Total funds</b>	<u>6,968,585</u>	<u>10,003,612</u>	<u>(10,895,873)</u>	<u>(422,000)</u>	<u>5,654,324</u>



# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### 19 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

The start up and improvement grants brought forward were additional funding supplied upon conversion to help with the costs of conversion and for the improvement of the schools.

Other DfE/ESFA grants include teachers' pay grant, universal free school meals income, PE grant, Covid catch-up and pupil premium received.

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

DfE/ESFA Capital Grants consist of the devolved capital grant and capital improvement fund which has been partly spent on asset additions in the year and partly spent on extensive building repairs that have been expensed for accounting purposes. A transfer between funds has been made where appropriate. The carried forward capital fund consists of £86,281 in capital grants less £50,190 in loans repayable..

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

The designated fund relates to a staff absence allocation which each school has paid into to cover staff absence.

At 31 August 2021 the academy had restricted general and unrestricted funds of £1,230,749.

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

(Continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	156,784	6,803,862	(6,677,518)	(8,270)	274,858
Start up grants	95,288	-	-	-	95,288
UIFSM	-	155,801	(155,801)	-	-
Pupil premium	-	956,844	(956,844)	-	-
Teachers pension grants	-	247,365	(247,365)	-	-
Teachers pay grants	-	77,427	(77,427)	-	-
PE and sports premium	-	125,940	(125,940)	-	-
Rates	-	20,150	(20,150)	-	-
Other DfE / ESFA grants	-	1,110	-	-	1,110
Other government grants	-	447,590	(447,590)	-	-
Other restricted funds	-	16,702	(16,702)	-	-
Pension reserve	(6,022,000)	-	(628,000)	(1,388,000)	(8,038,000)
	<u>(5,769,928)</u>	<u>8,852,791</u>	<u>(9,353,337)</u>	<u>(1,396,270)</u>	<u>(7,666,744)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	11,105,454	-	(114,382)	-	10,991,072
DfE group capital grants	2,669,863	525,240	(192,670)	7,173	3,009,606
Capital expenditure from GAG	124,821	-	(26,930)	1,097	98,988
	<u>13,900,138</u>	<u>525,240</u>	<u>(333,982)</u>	<u>8,270</u>	<u>14,099,666</u>
<b>Total restricted funds</b>	<u>8,130,210</u>	<u>9,378,031</u>	<u>(9,687,319)</u>	<u>(1,388,000)</u>	<u>6,432,922</u>
<b>Unrestricted funds</b>					
General funds	336,254	254,783	(174,026)	42,816	459,827
Designated funds	118,652	-	-	(42,816)	75,836
	<u>454,906</u>	<u>254,783</u>	<u>(174,026)</u>	<u>-</u>	<u>535,663</u>
<b>Total funds</b>	<u>8,585,116</u>	<u>9,632,814</u>	<u>(9,861,345)</u>	<u>(1,388,000)</u>	<u>6,968,585</u>

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

(Continued)

#### Total funds analysis by academy

	2021 £	2020 £
Fund balances at 31 August 2021 were allocated as follows:		
Victoria Lane Academy	60,283	30,053
Stephenson Way Academy and Nursery	280,457	188,830
Shield Row Primary School	(47,022)	(40,029)
Dene House Primary School	107,532	67,502
South Hetton Primary	135,300	29,931
Tudhoe Colliery Primary School	81,990	86,203
Acre Rigg Academy	278,018	206,864
Central services	334,191	337,565
Total before fixed assets fund and pension reserve	1,230,749	906,919
Restricted fixed asset fund	13,507,575	14,099,666
Pension reserve	(9,084,000)	(8,038,000)
Total funds	5,654,324	6,968,585

The deficit on Shield Row arose in a prior year.

The Trust is taking the following action to return the academy to surplus:

The Trust is holding £32,752 on a development grant for Shield Row, this will be used to offset the deficit. The Trust has also set a surplus budget for the next academic year on Shield Row, reducing the deficit next year.

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 19 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Victoria Lane Academy	675,932	135,484	36,275	153,565	1,001,256	999,060
Stephenson Way Academy and Nursery	1,225,389	187,908	78,667	382,983	1,874,947	1,662,451
Shield Row Primary School	640,007	148,370	42,586	121,032	951,995	937,368
Dene House Primary School	1,039,603	245,570	59,726	143,849	1,488,748	1,416,983
South Hetton Primary	761,195	150,249	59,532	127,305	1,098,281	1,072,132
Tudhoe Colliery Primary School	653,851	170,309	73,755	162,725	1,060,640	1,000,461
Acre Rigg Academy	981,998	141,988	96,757	742,496	1,963,239	1,326,354
Central services	235,139	217,997	1,563	21,258	475,957	467,321
	<u>6,213,114</u>	<u>1,397,875</u>	<u>448,861</u>	<u>1,855,213</u>	<u>9,915,063</u>	<u>8,882,130</u>

### 20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	13,471,481	13,471,481
Current assets	586,632	1,430,654	86,284	2,103,570
Creditors falling due within one year	-	(786,537)	(8,553)	(795,090)
Creditors falling due after one year	-	-	(41,637)	(41,637)
Defined benefit pension liability	-	(9,084,000)	-	(9,084,000)
<b>Total net assets</b>	<u>586,632</u>	<u>(8,439,883)</u>	<u>13,507,575</u>	<u>5,654,324</u>

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	13,604,612	13,604,612
Current assets	535,663	949,704	541,048	2,026,415
Creditors falling due within one year	-	(578,448)	(7,053)	(585,501)
Creditors falling due after one year	-	-	(38,941)	(38,941)
Defined benefit pension liability	-	(8,038,000)	-	(8,038,000)
<b>Total net assets</b>	<b>535,663</b>	<b>(7,666,744)</b>	<b>14,099,666</b>	<b>6,968,585</b>

### 21 Pension and similar obligations

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

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

Contributions amounting to £139,035 (2020: £106,451) were payable to the schemes at 31 August 2021 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### 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.

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 21 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £772,959 (2020: £525,861).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.5% for employers and 5.5% - 12.5% for employees.

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

Total contributions made	2021 £	2020 £
Employer's contributions	484,000	489,000
Employees' contributions	131,000	124,000
Total contributions	615,000	613,000

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

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Pension and similar obligations

(Continued)

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

	2021 Years	2020 Years
Retiring today		
- Males	22.3	22.2
- Females	24.3	24.2
Retiring in 20 years		
- Males	23.3	23.2
- Females	25.8	25.7

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

	2021 £	2020 £
Discount rate + 0.1%	16,785,000	13,958,000
Discount rate - 0.1%	17,698,000	14,718,000
Mortality assumption + 1 year	16,595,000	13,815,000
Mortality assumption - 1 year	17,888,000	14,847,000
CPI rate + 0.1%	17,612,000	14,646,000
CPI rate - 0.1%	16,871,000	14,030,000

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

	2021 Fair value £	2020 Fair value £
Equities	4,612,000	3,108,742
Government bonds	1,263,000	1,504,027
Corporate bonds	1,410,000	925,071
Cash	359,000	308,357
Property	505,000	446,803
Total market value of assets	8,149,000	6,293,000

The actual return on scheme assets was £1,306,000 (2020: £58,000).

#### Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	976,000	827,000
Past service cost	-	181,000
Interest income	(112,000)	(114,000)
Interest cost	244,000	223,000
Total operating charge	1,108,000	1,117,000

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 21 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2021 £	2020 £
At 1 September 2020	14,331,000	11,741,000
Current service cost	976,000	827,000
Interest cost	244,000	223,000
Employee contributions	131,000	124,000
Actuarial loss	1,616,000	1,332,000
Benefits paid	(65,000)	(97,000)
Past service cost	-	181,000
At 31 August 2021	17,233,000	14,331,000

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

	2021 £	2020 £
At 1 September 2020	6,293,000	5,719,000
Interest income	112,000	114,000
Actuarial (gain)/loss	1,194,000	(56,000)
Employer contributions	484,000	489,000
Employee contributions	131,000	124,000
Benefits paid	(65,000)	(97,000)
At 31 August 2021	8,149,000	6,293,000

### 22 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(892,261)	(228,531)
Adjusted for:		
Capital grants from DfE and other capital income	(399,429)	(525,240)
Investment income receivable	(173)	(585)
Defined benefit pension costs less contributions payable	492,000	519,000
Defined benefit pension scheme finance cost	132,000	109,000
Depreciation of tangible fixed assets	356,810	333,982
Decrease in stocks	14,968	10,677
Decrease/(increase) in debtors	223,935	(252,052)
Increase/(decrease) in creditors	208,089	(449,057)
Net cash provided by/(used in) operating activities	135,939	(482,806)



# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 23 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	1,205,469	316,058	1,521,527
Loans falling due within one year	(7,053)	(1,500)	(8,553)
Loans falling due after more than one year	(38,941)	(2,696)	(41,637)
	<u>1,159,475</u>	<u>311,862</u>	<u>1,471,337</u>

### 24 Long-term commitments, including operating leases

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

	2021 £	2020 £
Amounts due within one year	46,009	37,618
Amounts due in two and five years	69,848	51,808
Amounts due after five years	31,425	15,585
	<u>147,282</u>	<u>105,011</u>

### 25 Capital commitments

	2021 £	2020 £
Expenditure contracted for but not provided in the accounts	<u>161,433</u>	<u>478,883</u>

# TUDHOE LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **26 Related party transactions**

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

EDK Psychology - a business in which V Ingleton's (a trustee) daughter-in-law has a majority interest.

- During the year the academy sought Psychology services from the daughter-in-law of V Ingleton (trustee), the total cost to the trust during the year totalled £20,000.
- The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which the trustee neither participated in, nor influenced
- In entering into the transaction, the academy trust has fully complied with the requirements of the Academies Financial Handbook in that the ESFA was notified in advance of the transactions taking place
- The element above £2,500 has been provided 'at no more than cost' and EDK Psychology has provided a statement of assurance confirming this

V Ingleton's (trustee) son is employed by the academy trust as an Associate Headteacher. T Cassap is part of the central function in a school improvement capacity. V Ingleton has had no involvement in any aspect of his terms, conditions or remuneration, which have been determined in line with the national agreements on leadership pay scales.

### **27 Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he or she ceases to be a member.