

Registration number: 10743632

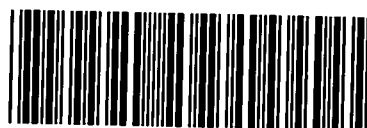
TEES VALLEY COLLABORATIVE TRUST

(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2022

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Tees Valley Collaborative Trust

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Tees Valley Collaborative Trust

Reference and Administrative Details

| | |
|--|--|
| Members | Felix O'Hare Ian Alexander Margaret Hirst Susan Symington Valerie Edith Bailey |
| Trustees (Directors) | Joanna Bailey, CEO (Accounting Officer) Valerie Edith Bailey, Vice Chair Dr Paul David Gavens Christopher David Groves, Vice Chair (resigned 11 October 2021) Dr Keith Hurst, Chair Sarah Elizabeth Moyo James Privett Jennifer Spencer-Plews |
| Senior Management Team | Joanna Bailey, CEO Sarah Langstaff, Chief Financial Officer Dean Laybourne, Director of Resources Tristan Keats, Director of Inclusion Asma Shaffi, Principal Sarah Rule, Head Teacher Emily Carr, Co-Head Teacher Rachel Campbell, Co-Head Teacher |
| Principal and Registered Office | Prior Pursglove And Stockton Sixth Form College Church Walk Guisborough TS14 6BU |
| Company Name | Tees Valley Collaborative Trust |
| Company Registration Number | 10743632 |
| Auditors | Azets Audit Services Chartered Accountants Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS |
| Bankers | Lloyds Bank plc 27 High Street Stockton-on-Tees TS18 1SG |
| Solicitors | Browne Jacobson No 1 Spinningfields 1 Hardman Square Spinningfields Manchester M3 3EB |

Tees Valley Collaborative Trust

Trustees Report for the Year Ended 31 August 2022

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust currently operates one academy for students aged 16-19 across two sites, one primary academy and one pupil referral unit in the North East of England. Its academies have 2,191 students on roll attending its academies in October 2022, in addition to adult and part time learners enrolled at the Guisborough site.

Subsidiary Company

The Trust owns the sole £1 ordinary share of Tees Valley Collaborative Enterprises Limited and as such it has been consolidated within these financial statements. The registered office is the same as it is for the Trust and is noted on page 1.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Tees Valley Collaborative Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Tees Valley Collaborative Trust.

Details of the trustees who served throughout the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

All of the academies within the Trust are members of the government's Risk Protection Arrangement (RPA) scheme which includes protection for Trustees from claims arising from negligent acts, errors or omissions occurring whilst undertaking trust business.

Method of Recruitment and Appointment of Trustees

Vacancies in respect of trustees will be filled using the recruitment process adopted by the trust. Vacancies are filled by recommendation to Members from the Search, Governance and Remuneration Committee.

Tees Valley Collaborative Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

Each newly appointed and re-appointed trustee receives a letter of appointment following receipt of the following forms: skills audit, cv, register of interests, confirmation of eligibility to serve as a trustee and Clearance Report from the Disclosure and Barring Service. Should there be issues with the eligibility criteria or Clearance Report these would be subject to Chair's action who may refer them back to the Search, Governance and Remuneration Committee.

Policies and Procedures Adopted for the Induction and Training of Trustees.

All new Trustees are provided with induction appropriate to their level of experience and expertise by the Clerk to the Board, the Chair of Trustees, CEO and other senior trust members of staff.

Organisational Structure .

The company has two layers of corporate governance as set out in the Articles of Association - Members and Trustees. Members are subscribed to the Memorandum and Articles of Association and perform the functions shareholders would in a company, although this is not a profit making company. The accountable body is the Board of Trustees responsible for the management and administration of the academy.

The Board of Trustees is supported by two committees - Finance and Audit Committee and Search, Governance and Remuneration Committee. Trustees make up the membership of these committees, with advice and input from the Senior Leadership Team. Committees may co-opt governors from academy committees or from the community with strong and relevant skills identified through an annual skills audit, providing the majority of members are trustees.

In accordance with the principle that effective governance is best delivered as close as possible to the point of impact of decisions, the company has a third tier of governance in the form of Local Governing Bodies. Local Governing Bodies have been established as committees of the Board with powers delegated to them through a Scheme of Delegation agreed by the Board of Trustees. The composition of Local Governing Bodies is also set out in the Scheme of Delegation and these committees are made up of persons appointed by Trustees.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Search, Governance and Remuneration Committee is responsible for overseeing the employment of the CEO and the Clerk to the Board of Trustees and Local Governing Bodies (this may be delegated to the Chair of the Board of Trustees who will make recommendations to the Committee), with particular focus on:

- Monitoring agreed performance objectives
- Monitoring professional development
- Appropriate human resource policies
- Induction and probationary period arrangements (where necessary)

The Committee receives advice from the CEO on the annual performance of the designated senior post holders.

The Committee advises on the framework for appraisals, appointments, suspension and dismissal and pay and conditions of service of senior post holders and the Clerk to the Trust Board. The Committee ensures that specific remuneration packages are transparent, objectively auditable and openly defensible.

Tees Valley Collaborative Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires the trust to publish information every year about their usage and spend on trade union facility time.

No Trust employee time has been spent on trade union activities in 2021/22.

Related Parties and Other Connected Charities and Organisations

There were no transactions with related parties of other connected charities or organisations in the year.

Engagement with Employees and Equalities

During the year the Trust has engaged with its employees through a broad range of mechanisms to ensure they are fully aware and consulted on any matters affecting them. The Trust has an established framework in place for consultation and discussion with trade unions through a Joint Consultative Committee, with positive working relationships maintained throughout the year. This forum has dealt with policy development and HR related issues.

The Trust's common e-mail communication platform significantly supports our ability to communicate with employees on a timely basis. The trust utilises sharepoint so that all staff can access information in a central location, including a staff communication site for college staff. This communication has been supported by a regular Trust newsletter and effective use of social media platforms throughout the year.

The trust communicates key decisions via Extended Executive Team meetings which then allows for updates to staff via each academy's regular leadership team meetings. At each Local Governing Body meeting an update from the trust board is a standing agenda item. Similarly, the trust board considers the local governing body minutes at each of its meetings.

The trust has a wide ranging and comprehensive programme of CPD to support the development of staff and this will continue into future years. The trust ensures that appropriate resources are designated to support professional development. Academy Headteachers share CPD plans for their setting for the year ahead with the Extended Executive Team in the summer term. In 2021/22 the CPD plans across the trust had a common focus on inclusion.

In March 2020 the trust agreed its Single Equality Scheme in order to discharge its responsibilities under the Equality Act 2010 and to meet the Public Sector Equality Duty. The trust is committed to promoting equality and diversity for all staff, students and pupils. To comply with the spirit of the law on Equality and Diversity, the trust conducts Equality Impact Assessments on proposed policies, practices and processes to identify whether they will have a positive or negative impact on any protected group(s). The Senior Leadership Team in each of our academies reports on progress against the key issues identified in the scheme to the CEO on a termly basis.

The trust's Recruitment and Selection policy details the trust's commitment to recruiting the best person for each vacancy, regardless of any protected characteristic. As a Disability Confident Employer, all disabled candidates who meet the minimum criteria for a post will be offered an interview. Reasonable adjustments are put in place where required to support candidates through the recruitment process and into employment.

Tees Valley Collaborative Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

Objectives and Activities

Objects and Aims

Our trust will engender a love of learning through an exceptional quality of educational provision in which every learner is inspired and supported to fulfil their potential, enhancing their personal development and benefitting their community. We will recruit and retain teachers and support staff and managers of the highest calibre by investing in their professional development through training and progression opportunities. Our schools and colleges will offer a friendly, caring environment with high expectations, aspirations and supporting the highest levels of achievement.

Our trust will work through partnership with employers, community groups and other agencies to make the Tees Valley a great place to live, learn and work.

Objectives, Strategies and Activities

The objectives of the trust are summarised below:

- Improve the life chances for young people in our region
- Maximise the outcomes and opportunities for all learners
- Remove barriers to achievement and promote the highest aspirations for all
- Enhance progress at transition points through cross-phase working
- Support all staff to develop their skills to become an efficient, high-performing team
- Share good practice to further improve teaching and learning
- Ensure positive destinations through enhanced accountability for each learner
- Promote and enable lifelong learning and citizenship which benefits the individual and the community
- Build partnerships within and beyond our trust to promote economic prosperity and social well-being across our region

We are committed to:

- Genuine partnerships for long term mutual benefit
- Improved educational standards through cross-phase working
- Strong system leadership and governance to support others and innovate
- Investment in the development of staff, creating capacity to support others
- A broad and balanced curriculum required of a 21st century skilled workforce
- An inclusive provision that meets the needs of all
- Secure financial health and stability
- Investment in learning resources providing best value for money

Tees Valley Collaborative Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

Public Benefit

In setting and reviewing the trust's strategic objectives, the Trust Board had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its aims and objectives, the Trust provides the following identifiable public benefits through the advancement of education:-

- High quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce
- Positive outcomes and effective transition to the next educational phase
- Excellent range of experiences and enrichment activities
- Inclusive offer that supports all pupils, including those with significant additional needs

Strategic report

Achievements and Performance

Exams returned after two years of teacher assessments due to the pandemic. Most measures will not be published and some adjustments were made to grade boundaries to compensate for pupils' disrupted education and gaps in knowledge. A level results nationally declined slightly compared to previous years, especially the number of students achieving top grades (A and A*). We are pleased to report that this was not the case for Prior Pursglove and Stockton Sixth Form College which achieved some of the best results for many years.

A combined pass rate of 98.6% was a creditable performance. High grades (A*-B) were also strong on both sites and the best for many years at PPC at 56% including 111 A* grades. 43% high grades at Stockton also represents a good improvement compared to 30% in 2019.

Retention and Achievement will be the only published measures shown as combined figures for both sites of the college. Retention at 90.1% is above the national average of 86.1%. Achievement (how many completed the course and passed) is 87.4% and above the national average of 84%.

For Errington Primary School the outcomes present a mixed picture. Before the pandemic (2018/19) Errington Primary was meeting targets in EYFS and KS1 and was above national average in areas of good level of development (GLD) measures and progress for Early Years and in phonics (KS1 – Year 1), with an improving trend each year. These measures have seen a sharp decline this year, although comparisons are unreliable due to changes in the EYFS framework and the impact of the pandemic, which seems to have affected younger pupils disproportionately. Of 26 EYFS pupils 58% achieved a good level of development (GLD). The gap between boys and girls is 4% in favour of girls. 50% of four disadvantaged pupils achieved GLD. 79% achieved the standard in the phonics check with boys (88%) out-performing girls (67%) and disadvantaged pupils (83%) similar to other pupils nationally.

Tees Valley Collaborative Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

Y6 pupils performed positively in their SATs, especially in reading which had been the school's main focus this year – the proportion who passed 82% compared favourably to the national standard (74%). Maths was also relatively strong at 76.5% (71%). The combined measure closely tracks the national standard: 59% (59%). This is a target for improvement next year, as is the score for writing 68% (69.5%).

The percentage of pupils achieving the expected standard or better is 58% for girls and 60% for boys, notably narrowing a previous achievement gap of 26% in 2018/19.

The percentage of pupils working at greater depth or achieved a high score has dropped sharply from 20% in 2018/19 to 6% with a 2% gap between boys and girls. This is a target for improvement next year.

At Bishopton PRU pupil outcomes are not published and there is no national comparison data available. Instead, the academy buys into a data service which compares performance to many other AP and Special schools nationally, known as Data Pioneers. It should be borne in mind that small numbers are involved and there can be sharp fluctuations in the ability of the cohort year on year.

16 Y11 pupils were entered for GCSE exams. The 'Attainment 5' measure, used by some special and AP settings held up well at 10.3 compared to 10.4 being the average over the last four years. 81% achieved a grade in English and 69% achieved a grade in Maths and Science. One pupil achieved a grade 5, 2 grade 4s and 2 grade 3s but overall too few pupils are achieving pass grades and this will be a target for improvement next year. In addition to these core subjects most of the year group achieved grades in English Literature and Citizenship.

Key Performance Indicators

The trust is committed to observing the importance of sector measures and indicators and use the Ofsted data dashboard and GOV.UK website which looks at measures such as success rates and level 3 value added for post-16 students and scores at EYFS, KS1 and 2 for primary pupils.

Going Concern

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

Financial Review

Income for the year was £13,829,000 (2021: £12,982,000). Expenditure for the year amounted to £14,552,000 (2021: £12,770,000) which included costs from the pension valuation of £864,000 (2021: £616,000). The Trust generated a net loss before other gains and losses in the year of £723,000 (2021: net income of £212,000). The trust had a gain on the latest pensions valuation of £7,508,000 (2021: £518,000) leading to an increase in net funds of £6,785,000 (2021: £730,000). Details of principal funders are included in the funds note (note 20).

Tees Valley Collaborative Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

Reserves Policy

The trust Reserves Policy was approved by the Trust Board in December 2021. The trust wishes to continue to accumulate reserves and cash balances in order to develop the estate and provide contingency funds. The trust has funds carried forward of £16,227,000 (2021: £9,442,000) of which £480,000 (2021: £330,000) are unrestricted funds and cash balances of £3,435,000 (2021: £3,862,000). The actual position of reserves (restricted general fund excluding pensions reserve plus unrestricted reserve) amounted to £3,423,000 (2021: £3,134,000).

Investment Policy

The Trust Investment Policy is included within the Trust Financial Regulations. The general policy objective is to invest the surplus funds prudently and not expose the Trust to an inappropriate level of risk. The investment priorities are.

- Security of the invested capital
- Liquidity of the invested capital

Funds exceeding those required to operate the day-to-day business effectively are invested with the current banker (Lloyds).

Principal Risks and Uncertainties

The trustees have considered the principal risks and uncertainties facing the trust, including a possible decline in student numbers at the Stockton site due to increased competition and the increased cost to the trust of rising energy prices. The trust has put measures in place to mitigate these risks to an acceptable level.

Risk Management

The trust's risk management strategy recognises that risk management should be embedded within the daily operation of all trust activities. Through understanding risks, managers are more able to evaluate the impact of a particular decision or action on the achievement of the trust's objectives. The trust's risk management strategy does not focus on risk avoidance, but on the identification and management of an acceptable level of risk.

The risk register is the main reporting document used to inform trustees, management, staff and other stakeholders of the risks faced by the trust. A risk register is maintained for each academy within the trust, detailing the risks specific to that academy, as well as a risk register at trust level. The risk register shows the likelihood and impact of risks (scored using a consistent scoring system), control procedures, the senior manager responsible for the risk, monitoring procedure, action required, financial impact/contingency plan and developments. Risk registers are reviewed monthly by SLTs and the Extended Executive Team to accommodate new risks and changes in assessment. The registers are monitored by the Finance and Audit Committee and approved annually by the Trust Board.

A comprehensive disaster recovery plan is maintained and updated annually. The plan includes contingency and business continuity plans and is tested regularly.

Tees Valley Collaborative Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

Financial and Risk Management Objectives and Policies

The trust reviewed its Risk Management Strategy in November 2020, with due regard to public expectations about governance, standards and openness. It is the role of the trustees to set the tone and culture of risk management within the trust and determine major decisions affecting the trust's risk profile and exposure. The Trust Board annually reviews the trust's approach to risk management, following consideration by the Finance and Audit Committee and approve changes or improvements to key elements of its processes and procedures.

Fundraising

The trust only participates in low level fundraising. The purpose of this is not to fund the trust's core provision of education but support related activities and charities. This fundraising does not involve any professional fundraisers and is only based on voluntary donations from the trust's stakeholders. Any complaints regarding fundraising should be referred to the trusts complaints policy. The trust does not promote any intrusive or persistent fundraising approaches and wishes to ensure the safeguarding and protection of the public, including vulnerable people.

Implications of Covid 19

The operational impact of Covid 19 on the trust was minimal during the year to August 2022, with small numbers of staff and student absence in each academy.

The trust received the final instalment of a transport grant from Tees Valley Combined Authority which enabled additional buses to run at the Prior Pursglove site, to allow for social distancing.

Bishopton PRU received a grant for year 11 transition, to cover costs associated the Bishopton 4 Progression programme, which was designed to reduce the number of pupils becoming NEET (not in employment, education or training) after leaving Bishopton.

During the year to August 2022 credit notes were received for exam fees relating to the Summer 2021 exam period, which was disrupted due to Covid 19.

Plans for Future Periods

At its inception the Trust planned to establish an all-through provision including at least one secondary school. Although opportunities to add a secondary school are very limited, we do still plan to develop expertise across all key stages from 1 to 5. In November 2019 the Trust acquired a day nursery provision through an arm's length subsidiary Tees Valley Collaborative Enterprises Limited.

The Trust is commissioned by two local authorities to run three social, emotional and mental health bases and plan to extend our inclusion work, including into new geographical areas.

We plan to increase the number of primary schools within the Trust and create a primary hub to share best practice and expertise. One further primary school has opted to convert and join our Trust and we are in discussion with several others.

Auditor

In so far as the Trustees are aware:

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

Tees Valley Collaborative Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

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

The trustees report, incorporating a Strategic Report, was approved and authorised for issue by order of the members of the Trust Board on 12 December 2022 and signed on its behalf by:

J Bailey

Joanna Bailey 19 Dec 2022 11:08:12 GMT (UTC +0)

Joanna Bailey
Trustee

Keith Hurst

Keith Hurst 18 Dec 2022 12:20:38 GMT (UTC +0)

Dr Keith Hurst
Trustee

Tees Valley Collaborative Trust

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Tees Valley Collaborative 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 not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Tees Valley Collaborative Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|--------------------------|--------------------------|
| Dr Keith Hurst (Appointed Chair 27 September 2021) | 5 | 5 |
| Mrs Val Bailey (Appointed Vice Chair 27 September 2021) | 5 | 5 |
| Ms Joanna Bailey (Chief Executive and Accounting Officer) | 5 | 5 |
| Dr Paul Gavens | 5 | 5 |
| Mr Chris Groves (resigned 11 October 2021) | 1 | 1 |
| Mrs Sarah Moyo | 4 | 5 |
| Mrs Jenn Plews | 3 | 5 |
| Mr James Privett | 5 | 5 |

The Board of Trustees has a Local Governing Body (LGB) for Prior Pursglove and Stockton Sixth Form College, a LGB for Errington Primary School and a LGB for Bishopton PRU. The LGBs have powers delegated to them under a Scheme of Delegation. Full details are provided on the Tees Valley Collaborative Trust website, www.tvc.ac.uk.

The Board of Trustees approved and updated the Scheme of Delegation and Governance Handbook throughout the year. It considers its strategic plan at each meeting and its obligations around: finance; governance; safeguarding and monitoring the LGB and Academies performance.

The Board of Trustees has two committees: Finance and Audit Committee and a Search, Governance and Remuneration Committee.

Tees Valley Collaborative Trust

Governance Statement (continued)

The Finance and Audit Committee is a committee of the main Board of Trustees. Its purpose is to advise the Board of Trustees on the adequacy and effectiveness of the trust's systems of internal control and its arrangements for risk management, control and governance processes and securing value for money.

During the year the Finance and Audit Committee has reviewed: the Reports and Financial Statements for Tees Valley Collaborative Trust for the year ended 31 August 2021; regularity audit; external audit and management report, with all recommendations being made to the Board of Trustees for approval.

The Finance and Audit Committee has also considered: internal audit reports; progress on audit recommendations; the risk register and risk management and management accounts. The Finance and Audit Committee recommended a budget to the Board of Trustees for approval.

Attendance at meetings in the year was as follows:

| Committee Member | Meetings attended | Out of a possible |
|--|--------------------------|--------------------------|
| Mr James Privett (Chair of Finance and Audit, appointed 2 December 2021) | 3 | 3 |
| Mrs Val Bailey | 3 | 3 |
| Miss Jessica Carey (Non-trustee, co-opted member of the Finance and Audit Committee, resigned 17 May 2022) | 2 | 2 |
| Dr Paul Gavens | 3 | 3 |

A representative from Wylie & Bisset LLP was invited to and attended two out of three meetings of the Finance and Audit Committee. A representative from MHA Tait Walker was invited to and attended one out of three meetings. J Bailey and S Langstaff were invited to and attended all meetings whilst in office of the Finance and Audit Committee to present reports.

The Search Governance and Remuneration Committee is also a committee of the main Board of Trustees. Its purpose is to advise on such matters relating to membership and appointments as the Board of Trustees may remit to the committee, for gathering, screening and short-listing nominations in respect of vacancies across the trust and for determining the process whereby candidates are nominated or elected. The Search, Governance and Remuneration Committee also determines the pay, terms and conditions of designated Senior Post Holders and report annually through the Chair of the Board of Trustees to the Board of Trustees.

The Search, Governance and Remuneration Committee has considered: trustee/ governor terms of office; resignations and vacancies; recommended appointments to the appropriate bodies; monitored attendance of governors and trustees; approved governor and trustee self-evaluation processes; recommended policies to the Board of Trustees or LGB's (where appropriate) and recommended the appointment of the Stockton Borough Council Governance Support Service as Clerk. The Search, Governance and Remuneration Committee has also considered remuneration and pay.

Tees Valley Collaborative Trust

Governance Statement (continued)

| Committee Member | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mrs Jenn Plews (Chair of Search, Governance and Remuneration Committee, appointed 14 October 2019) | 3 | 3 |
| Ms Joanna Bailey | 3 | 3 |
| Mrs Marilyn Collins (Non-trustee, co-opted member of the Search, Governance and Remuneration Committee) | 1 | 3 |
| Dr Paul Gavens | 1 | 1 |
| Dr Keith Hurst (Chair of Trust Board) | 3 | 3 |
| Mrs Sarah Moyo | 1 | 2 |

Conflicts of interest

The trust maintains an up-to-date and complete register of interests for Members, Trustees and Local Governors. The registers are published on the trust website and shared with key trust staff in order that any potential conflicts of interest are identified and managed appropriately. The finance team review all requests for new supplier against the register of interests and staff are asked to declare any know potential conflict of interest when procuring good with a supplier for the first time.

Members, Trustees and Governors are asked to declare any conflicts of interest as a standing item on each meeting agenda.

Review of Value for Money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Continued efficiencies gained by staff working cross-site.
- All contracts are reviewed as they become due for renewal to ensure they offer best value for money. New contracts have been negotiated with additional savings being achieved through cross-site procurement.
- All orders are placed centrally by the finance department and value for money is considered when placing all orders, regardless of cost. Savings are made through experience, use of available discount codes and knowledge of suppliers.

Tees Valley Collaborative Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the academy trust's 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 Tees Valley Collaborative Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and appointed Wylie and Bisset LLP to perform the function during the year. Reviews have taken place throughout the year, with reports presented to the Finance and Audit Committee and the Trust Board. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. The areas reviewed during the year include:

- Disaster Recovery
- Safeguarding
- Payroll
- Follow up of Outstanding Recommendations

The programme of work was completed as planned with no material control issues arising as a result of the internal auditors work.

Tees Valley Collaborative Trust

Governance Statement (continued)

Review of Effectiveness

As accounting officer, the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal auditor
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the managers within the 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 Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved and authorised for issue by order of the members of the Trust Board on 12 December 2022 and signed on its behalf by:

J Bailey

Joanna Bailey 10 Dec 2022 11:08:12 GMT (UTC +0)

.....
Joanna Bailey
Trustee

Keith Hurst

Keith Hurst 10 Dec 2022 12:20:30 GMT (UTC +0)

.....
Dr Keith Hurst
Trustee

Tees Valley Collaborative Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Tees Valley Collaborative Trust I have considered my responsibility to notify the academy trust Trust Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust Trust Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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 Trust Board and ESFA.

J Bailey

.....
Joanna Bailey 19 Dec 2022 11:08:12 GMT (UTC +0)

Joanna Bailey, CEO
Accounting officer

12 December 2022

Tees Valley Collaborative Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved and authorised for issue by order of the members of the Board on 12 December 2022 and signed on its behalf by:

J Bailey

Joanna Bailey 19 Dec 2022 11:08:12 GMT (UTC +0)

Joanna Bailey
Trustee

Keith Hurst

Keith Hurst 18 Dec 2022 12:20:38 GMT (UTC +0)

Dr Keith Hurst
Trustee

Tees Valley Collaborative Trust

Independent Auditor's Report on the Financial Statements to the Members of Tees Valley Collaborative Trust

Opinion

We have audited the financial statements of Tees Valley Collaborative Trust (the 'Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2022, which comprise the Consolidated Statement of Financial Activities for the period (including Income and Expenditure Account), Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent Trust's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

Tees Valley Collaborative Trust

Independent Auditor's Report on the Financial Statements to the Members of Tees Valley Collaborative Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Post 16 Audit Code of Practice issued by the Education and Skills Funding Agency requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- certain disclosures of Trustees we have not received all the information and explanations we require for our audit; or
- conclusions relating to appropriateness of the use of the going concern basis of accounting and disclosures of material uncertainties, subject to the requirements of ISA 570 Going Concern, and whether the auditor has concluded that there is a material misstatement in other information, subject to the requirements of ISA 720 The Auditor's Responsibilities Relating to Other Information, are not considered appropriate.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Trust or to cease operations, or have no realistic alternative but to do so.

Tees Valley Collaborative Trust

Independent Auditor's Report on the Financial Statements to the Members of Tees Valley Collaborative Trust (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Tees Valley Collaborative Trust

Independent Auditor's Report on the Financial Statements to the Members of Tees Valley Collaborative Trust (continued)

Use of our report

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

Azets Audit Services

Brian Laidlaw 20 Dec 2022 18:04:07 GMT (UTC +0)

.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 20 December 2022

Azets Audit Services is a trading name of Azets Audit Services Limited

Tees Valley Collaborative Trust

Independent Reporting Accountant's Assurance Report on Regularity to Tees Valley Collaborative Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tees Valley Collaborative Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

The Accounting Officer is responsible, under the requirements of the Trust Board's funding agreement with the Secretary of State for Education dated 27 October 2017 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

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

Tees Valley Collaborative Trust

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

- Evaluation of internal control procedures and reporting lines;
- Review of cash payments for unusual transactions;
- Review of purchasing card transactions;
- Review of register of interests;
- Review of related party transactions;
- Review of borrowing arrangements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review of gifts and hospitality on a sample basis to ensure in line with policy; and
- Consideration of governance issues.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

Azets Audit Services

Brian Laidlaw 20 Dec 2022 18:04:07 GMT (UTC +0)

**Azets Audit Services
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS**

Date 20 December 2022

Azets Audit Services is a trading name of Azets Audit Services Limited

Tees Valley Collaborative Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

| | Note | Unrestricted Funds £ 000 | Restricted General Funds £ 000 | Restricted Fixed Asset Funds £ 000 | Total 2022 £ 000 |
|---|------|--------------------------------|---|---|------------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 2 | - | - | 28 | 28 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | 3 | 91 | 13,493 | - | 13,584 |
| Other trading activities | 4 | 214 | - | - | 214 |
| Investments | 5 | 3 | - | - | 3 |
| Total | | 308 | 13,493 | 28 | 13,829 |
| Expenditure on: | | | | | |
| Raising funds | 6 | 150 | - | - | 150 |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 7 | 8 | 13,923 | 471 | 14,402 |
| Total | | 158 | 13,923 | 471 | 14,552 |
| Net income/(expenditure) | | 150 | (430) | (443) | (723) |
| Transfers between funds | | - | (266) | 266 | - |
| Other recognised gains and losses | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 29 | - | 7,508 | - | 7,508 |
| Net movement in funds/(deficit) | | 150 | 6,812 | (177) | 6,785 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2021 | | 330 | (4,746) | 13,858 | 9,442 |
| Total funds carried forward at 31 August 2022 | | 480 | 2,066 | 13,681 | 16,227 |

Tees Valley Collaborative Trust

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

| | Note | Unrestricted Funds £ 000 | Restricted General Funds £ 000 | Restricted Fixed Asset Funds £ 000 | Total 2021 £ 000 |
|---|------|--------------------------------|---|---|------------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | 2 | - | - | 339 | 339 |
| Transfer from local authority on conversion | | 88 | (541) | 695 | 242 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | 3 | 24 | 12,273 | - | 12,297 |
| Other trading activities | 4 | 103 | - | - | 103 |
| Investments | 5 | 1 | - | - | 1 |
| Total | | 216 | 11,732 | 1,034 | 12,982 |
| Expenditure on: | | | | | |
| Raising funds | 6 | 101 | - | - | 101 |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | | 4 | 12,106 | 559 | 12,669 |
| Total | | 105 | 12,106 | 559 | 12,770 |
| Net income/(expenditure) | | 111 | (374) | 475 | 212 |
| Transfers between funds | | - | (30) | 30 | - |
| Other recognised gains and losses | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 29 | - | 518 | - | 518 |
| Net movement in funds | | 111 | 114 | 505 | 730 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2020 | | 219 | (4,860) | 13,353 | 8,712 |
| Total funds/(deficit) carried forward at 31 August 2021 | | 330 | (4,746) | 13,858 | 9,442 |

Tees Valley Collaborative Trust

(Registration number: 10743632) Consolidated Balance Sheet

| | Note | 2022 £ 000 | 2021 £ 000 |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Intangible assets | 12 | 5 | 8 |
| Tangible assets | 13 | <u>13,676</u> | <u>13,843</u> |
| | | <u>13,681</u> | <u>13,851</u> |
| Current assets | | | |
| Debtors | 15 | 726 | 628 |
| Current asset investments | 16 | 1,000 | - |
| Cash at bank and in hand | | <u>3,435</u> | <u>3,862</u> |
| | | 5,161 | 4,490 |
| Creditors: Amounts falling due within one year | 17 | <u>(1,650)</u> | <u>(1,265)</u> |
| Net current assets | | <u>3,511</u> | <u>3,225</u> |
| Total assets less current liabilities | | 17,192 | 17,076 |
| Creditors: Amounts falling due after more than one year | 18 | (88) | (84) |
| Provisions | 19 | <u>(451)</u> | <u>(579)</u> |
| Net assets excluding pension liability | | 16,653 | 16,413 |
| Pension scheme liability | 29 | <u>(426)</u> | <u>(6,971)</u> |
| Net assets including pension liability | | <u>16,227</u> | <u>9,442</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted income fund | 20 | 2,943 | 2,804 |
| Restricted fixed asset fund | 20 | 13,681 | 13,858 |
| Pension Reserve | 20 | <u>(877)</u> | <u>(7,550)</u> |
| | | 15,747 | 9,112 |
| Unrestricted funds | | | |
| Unrestricted income fund | 20 | <u>480</u> | <u>330</u> |
| Total funds | | <u>16,227</u> | <u>9,442</u> |

The financial statements were approved and authorised for issue by the Trustees, on 12 December 2022 and signed on their behalf by:

J Bailey

Joanna Bailey 10 Dec 2022 11:08:12 GMT (UTC +0)

Joanna Bailey
Trustee

Keith Hurst

Keith Hurst 10 Dec 2022 12:20:38 GMT (UTC +0)

Dr Keith Hurst
Trustee

Tees Valley Collaborative Trust

(Registration number: 10743632) Balance Sheet

| | Note | 2022 £ 000 | 2021 £ 000 |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 13 | 13,676 | 13,841 |
| Current assets | | | |
| Debtors | 15 | 799 | 693 |
| Current asset investments | 16 | 1,000 | - |
| Cash at bank and in hand | | 3,405 | 3,856 |
| | | <u>5,204</u> | <u>4,549</u> |
| Creditors: Amounts falling due within one year | 17 | <u>(1,640)</u> | <u>(1,263)</u> |
| Net current assets | | <u>3,564</u> | <u>3,286</u> |
| Total assets less current liabilities | | 17,240 | 17,127 |
| Creditors: Amounts falling due after more than one year | 18 | (88) | (84) |
| Provisions | 19 | <u>(451)</u> | <u>(579)</u> |
| Net assets excluding pension liability | | 16,701 | 16,464 |
| Pension scheme liability | 29 | <u>(426)</u> | <u>(6,971)</u> |
| Net assets including pension liability | | <u>16,275</u> | <u>9,493</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted income fund | 20 | 2,943 | 2,804 |
| Restricted fixed asset fund | 20 | 13,681 | 13,858 |
| Pension Reserve | 20 | <u>(877)</u> | <u>(7,550)</u> |
| | | 15,747 | 9,112 |
| Unrestricted funds | | | |
| Unrestricted income fund | 20 | <u>528</u> | <u>381</u> |
| Total funds | | <u>16,275</u> | <u>9,493</u> |

The financial statements were approved and authorised for issue by the Trustees, on 12 December 2022 and signed on their behalf by:

J Bailey

Joanna Bailey 19 Dec 2022 11:08:12 GMT (UTC +0)

Joanna Bailey
Trustee

Keith Hurst

Keith Hurst 18 Dec 2022 12:20:38 GMT (UTC +0)

Dr Keith Hurst
Trustee

Tees Valley Collaborative Trust

Consolidated Statement of Cash Flows

| | Note | 2022 £ 000 | 2021 £ 000 |
|--|------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Net cash provided by (used in) operating activities | 23 | 840 | 985 |
| Cash flows from investing activities | 25 | (1,275) | (12) |
| Cash flows from financing activities | 24 | <u>8</u> | <u>(42)</u> |
| Change in cash and cash equivalents in the year | | (427) | 931 |
| Cash and cash equivalents at 1 September | | <u>3,862</u> | <u>2,931</u> |
| Cash and cash equivalents at 31 August | 26 | <u><u>3,435</u></u> | <u><u>3,862</u></u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

Basis of consolidation

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

The academy trust made a surplus/(deficit) of £6,782,000 (2021 - £770,000).

Subsidiary undertaking

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

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.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

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

Other income

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

Investment income

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

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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Intangible fixed assets

Intangible assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible 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:

| Asset class | Amortisation method and rate |
|--------------------|-------------------------------------|
| Goodwill | 20% straight line |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £3,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

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

| Asset class | Depreciation method and rate |
|--------------------|-------------------------------------|
| Freehold buildings | 50 years straight line |
| General equipment | 10-33% straight line |
| Computer hardware | 20-33% straight line |

Leasehold fixed assets

Long leasehold land and building are leased from the local authority on a 125 year lease. The leasehold property has been included in the accounts at depreciated replacement cost.

Liabilities

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

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

Investments

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11 Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

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

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

Enhanced pension provision

The actual cost of any enhanced ongoing pension to a former member of staff is paid by an academy trust annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the academy trust's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £473,000 (2021 - £561,000).

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

Critical areas of judgement

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

Assessing indicator of impairment.

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

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

2 Donations and capital grants

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2022 £ 000 | Total 2021 £ 000 |
|------------------------|--------------------------------|------------------------------|---|------------------------|------------------------|
| Other voluntary income | | | | | |
| Capital grants | - | - | 28 | 28 | 339 |
| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2021 £ 000 | |
| Total 2021 | - | - | 339 | 339 | |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

3 Funding for the Academy Trust's educational operations

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2022 £ 000 | Total 2021 £ 000 |
|---|---|---------------------------------------|---|---------------------------------|------------------------|
| DfE/ESFA revenue grants | | | | | |
| General Annual Grant GAG | - | 10,505 | - | 10,505 | 9,769 |
| Other ESFA Group grants | 33 | 1,264 | - | 1,297 | 1,309 |
| | 33 | 11,769 | - | 11,802 | 11,078 |
| Other government grants | | | | | |
| Local authority grants | - | 1,642 | - | 1,642 | 1,142 |
| COVID-19 additional funding (non-DfE/ESFA) | | | | | |
| Coronavirus exceptional support | - | 33 | - | 33 | 3 |
| Non-government grants and other income | | | | | |
| Other income | 58 | 49 | - | 107 | 74 |
| Total grants | 91 | 13,493 | - | 13,584 | 12,297 |
| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2021 £ 000 | |
| Total 2021 | 24 | 12,273 | - | 12,297 | |

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

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Other DfE/ESFA Grants | | |
| Rates reclaim | 95 | 95 |
| Student Support Services (per statement) (also known as Academy Post 16 Bursary Funding) | 52 | 42 |
| Pupil Premium and Service Premium | 104 | 95 |
| Universal Infant Free School Meals (UifSM) | 22 | 23 |
| PE and Sports Grant | 38 | 12 |
| Placement Income | 33 | - |
| Other | 552 | 633 |
| Teachers' Pay Grant | 401 | 409 |
| | <u>1,297</u> | <u>1,309</u> |

4 Other trading activities

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2022 £ 000 | Total 2021 £ 000 |
|--------------------|--------------------------------|------------------------------|---|------------------------|------------------------|
| Hire of facilities | 50 | - | - | 50 | 35 |
| Subsidiary income | 164 | - | - | 164 | 68 |
| | <u>214</u> | <u>-</u> | <u>-</u> | <u>214</u> | <u>103</u> |

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2021 £ 000 |
|------------|--------------------------------|------------------------------|---|------------------------|
| Total 2021 | <u>103</u> | <u>-</u> | <u>-</u> | <u>103</u> |

5 Investment income

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2022 £ 000 | Total 2021 £ 000 |
|---------------------|--------------------------------|------------------------------|---|------------------------|------------------------|
| Short term deposits | <u>3</u> | <u>-</u> | <u>-</u> | <u>3</u> | <u>1</u> |

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2021 £ 000 |
|------------|--------------------------------|------------------------------|---|------------------------|
| Total 2021 | <u>1</u> | <u>-</u> | <u>-</u> | <u>1</u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

6 Expenditure

| | Non Pay Expenditure | | | 2022/21 | 2021/20 |
|---|----------------------|-------------------|----------------|----------------|----------------|
| | Staff costs £ 000 | Premises £ 000 | Other £ 000 | Total £ 000 | Total £ 000 |
| Expenditure on raising funds | | | | | |
| Direct costs | - | - | 150 | 150 | 101 |
| Academy's educational operations | | | | | |
| Direct costs | 7,840 | - | 600 | 8,440 | 7,532 |
| Allocated support costs | 2,646 | 1,499 | 1,817 | 5,962 | 5,137 |
| | <u>10,486</u> | <u>1,499</u> | <u>2,567</u> | <u>14,552</u> | <u>12,770</u> |

| | Non Pay Expenditure | | | Total 2021 £ 000 |
|------------|----------------------|-------------------|----------------------|------------------------|
| | Staff costs £ 000 | Premises £ 000 | Other costs £ 000 | |
| Total 2021 | <u>9,255</u> | <u>1,398</u> | <u>2,117</u> | <u>12,770</u> |

Net income/(expenditure) for the year includes:

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Operating lease rentals | 28 | 25 |
| Depreciation | 471 | 561 |
| Amortisation of intangible fixed assets | 3 | 2 |
| Fees payable to auditor - audit | 9 | 14 |
| Fees payable to auditor - other audit services | <u>3</u> | <u>9</u> |

7 Charitable activities

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Direct costs - educational operations | 8,440 | 7,532 |
| Support costs - educational operations | <u>5,962</u> | <u>5,137</u> |
| | <u>14,402</u> | <u>12,669</u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

7 Charitable activities (continued)

| | Educational operations £ 000 | Total 2022 £ 000 | Total 2021 £ 000 |
|----------------------------------|------------------------------------|------------------------|------------------------|
| Analysis of support costs | | | |
| Support staff costs | 2,646 | 2,646 | 2,204 |
| Depreciation | 471 | 471 | 559 |
| Technology costs | 147 | 147 | 129 |
| Premises costs | 1,028 | 1,028 | 839 |
| Legal costs | 42 | 42 | 55 |
| Other support costs | 1,614 | 1,614 | 1,337 |
| Governance costs | 14 | 14 | 14 |
| Total support costs | 5,962 | 5,962 | 5,137 |

8 Staff

Staff costs

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Staff costs during the year were: | | |
| Wages and salaries | 7,068 | 6,407 |
| Social security costs | 708 | 613 |
| Operating costs of defined benefit pension schemes | 2,206 | 1,829 |
| | 9,982 | 8,849 |
| Supply staff costs | 496 | 356 |
| Staff restructuring costs | 8 | 50 |
| | 10,486 | 9,255 |
| | 2022 £ 000 | 2021 £ 000 |
| Staff restructuring costs comprise: | | |
| Redundancy payments | 7 | 37 |
| Severance payments | - | 4 |
| Other restructuring costs | 1 | 9 |
| | 8 | 50 |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Staff (continued)

Staff numbers

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

| | 2022 No. | 2021 No. |
|------------------------------|-------------|-------------|
| Charitable Activities | | |
| Teachers | 129 | 118 |
| Administration and support | 125 | 110 |
| Management | 10 | 9 |
| | <u>264</u> | <u>237</u> |

The subsidiary undertaking incurred total staff costs of £133,007 (2021 - £87,992).

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) received by key management personnel for their services to the academy trust was £607,252 (2021 - £680,109).

Higher paid staff

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

| | 2022 No. | 2021 No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 4 | - |
| £80,001 - £90,000 | 1 | 1 |
| £100,001 - £110,000 | <u>1</u> | <u>1</u> |

9 Central services

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

- Finance
- IT Services
- Payroll
- Human Resources

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

As a percentage of GAG income: 4%

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9 Central services (continued)

The actual amounts charged during the year were as follows:

| | 2022/21 £ 000 | 2021/20 £ 000 |
|---|------------------|------------------|
| Prior Pursglove and Stockton Sixth Form College | 335 | 330 |
| Errington Primary School | 37 | 34 |
| Bishopton PRU | 26 | 9 |
| | <u>398</u> | <u>373</u> |

10 Related party transactions - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The staff Trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment, and not in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows:

Joanna Bailey (CEO and Trustee):

Remuneration: £105,000 - £110,000 (2021 - £105,000 - £110,000)

Employer's pension contributions: £25,000 - £30,000 (2021 - £10,000 - £15,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £1,526 (2021 - £319) were reimbursed or paid directly to 1 Trustees (2021 - 1).

Other related party transactions involving the Trustees are set out in note 30.

11 Trustees' and officers' insurance

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

In accordance with normal commercial practice the academy had purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provided cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2021 was £500.

The cost of this insurance was included in the total insurance cost.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

12 Intangible fixed assets

Group

| | Goodwill £ 000 | Total £ 000 |
|-----------------------|-------------------|----------------|
| Cost | | |
| At 1 September 2021 | 12 | 12 |
| At 31 August 2022 | 12 | 12 |
| Amortisation | | |
| At 1 September 2021 | 4 | 4 |
| Charge for the year | 3 | 3 |
| At 31 August 2022 | 7 | 7 |
| Net book value | | |
| At 31 August 2022 | 5 | 5 |
| At 31 August 2021 | 8 | 8 |

The company has no intangible assets.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13 Tangible fixed assets

Group

| | Freehold land and buildings £ 000 | Leasehold land and buildings £ 000 | Furniture and equipment £ 000 | Computer equipment £ 000 | Total £ 000 |
|-----------------------|--|---|--|--------------------------------|----------------|
| Cost | | | | | |
| At 1 September 2021 | 13,232 | 1,185 | 687 | 471 | 15,575 |
| Additions | - | - | 152 | 154 | 306 |
| At 31 August 2022 | 13,232 | 1,185 | 839 | 625 | 15,881 |
| Depreciation | | | | | |
| At 1 September 2021 | 1,098 | 44 | 247 | 343 | 1,732 |
| Charge for the year | 242 | 23 | 124 | 84 | 473 |
| At 31 August 2022 | 1,340 | 67 | 371 | 427 | 2,205 |
| Net book value | | | | | |
| At 31 August 2022 | 11,892 | 1,118 | 468 | 198 | 13,676 |
| At 31 August 2021 | 12,134 | 1,141 | 440 | 128 | 13,843 |

Academy Trust

| | Freehold land and buildings £ 000 | Leasehold land and buildings £ 000 | Furniture and equipment £ 000 | Computer equipment £ 000 | Total £ 000 |
|-----------------------|--|---|--|--------------------------------|----------------|
| Cost | | | | | |
| At 1 September 2021 | 13,232 | 1,185 | 682 | 471 | 15,570 |
| Additions | - | - | 152 | 154 | 306 |
| At 31 August 2022 | 13,232 | 1,185 | 834 | 625 | 15,876 |
| Depreciation | | | | | |
| At 1 September 2021 | 1,098 | 44 | 244 | 343 | 1,729 |
| Charge for the year | 242 | 23 | 122 | 84 | 471 |
| At 31 August 2022 | 1,340 | 67 | 366 | 427 | 2,200 |
| Net book value | | | | | |
| At 31 August 2022 | 11,892 | 1,118 | 468 | 198 | 13,676 |
| At 31 August 2021 | 12,134 | 1,141 | 438 | 128 | 13,841 |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

14 Investments

Group

The academy trust owns 100% of the shares of Tees Valley Collaborative Enterprises Limited, a company incorporated in England. The principal activity of the company is provision of nursery services. Turnover for the year ended 31 August 2022 was £164,285, expenditure was £158,780 and the profit/(loss) for the year was £5,505. The assets of the company at 31 August 2022 were £41,255, liabilities were £87,915 and capital and reserves were (£46,660).

The registered office of Tees Valley Collaborative Enterprises Limited is:
Prior Pursglove And Stockton Sixth Form College
Church Walk
Guisborough
TS14 6BU

For the year ending 31 August 2022 the subsidiary was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

15 Debtors

| | 2022 | Group | 2022 | Academy Trust |
|------------------------------------|------------|------------|------------|---------------|
| | £ 000 | 2021 | 2022 | 2021 |
| | | £ 000 | £ 000 | £ 000 |
| Trade debtors | 293 | 41 | 293 | 41 |
| VAT recoverable | 83 | 21 | 83 | 21 |
| Other debtors | 4 | 88 | 2 | 88 |
| Prepayments | 279 | 239 | 279 | 239 |
| Accrued grant and other income | 67 | 239 | 64 | 239 |
| Balances due from related entities | - | - | 78 | 65 |
| | <u>726</u> | <u>628</u> | <u>799</u> | <u>693</u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Current asset investments

| | 2022 | Group | 2022 | Academy Trust |
|---------------------|-------|-------|-------|---------------|
| | £ 000 | 2021 | £ 000 | 2021 |
| | | £ 000 | | £ 000 |
| Fixed term deposits | 1,000 | - | 1,000 | - |

17 Creditors: amounts falling due within one year

| | 2022 | Group | 2022 | Academy Trust |
|------------------------------------|-------|-------|-------|---------------|
| | £ 000 | 2021 | £ 000 | 2021 |
| | | £ 000 | | £ 000 |
| Trade creditors | 712 | 339 | 709 | 338 |
| Other taxation and social security | 172 | 161 | 170 | 160 |
| Loans | 28 | 24 | 28 | 24 |
| Other creditors | 305 | 241 | 303 | 241 |
| Accruals | 205 | 215 | 202 | 215 |
| Deferred income | 56 | 116 | 56 | 116 |
| Pension scheme creditor | 172 | 169 | 172 | 169 |
| | 1,650 | 1,265 | 1,640 | 1,263 |

Group

| | 2022 | 2021 |
|--|-------|-------|
| | £ 000 | £ 000 |
| Deferred income | | |
| Deferred income at 1 September 2021 | 116 | 32 |
| Resources deferred in the period | 56 | 116 |
| Amounts released from previous periods | (116) | (32) |
| Deferred income at 31 August 2022 | 56 | 116 |

At the balance sheet date, the academy trust was holding funds received in advance for rent at the Stockton site and rates relief grants in respect of Prior Pursglove and Errington sites.

Academy Trust

| | 2022 | 2021 |
|--|-------|-------|
| | £ 000 | £ 000 |
| Deferred income | | |
| Deferred income at 1 September 2021 | 116 | 32 |
| Resources deferred in the period | 56 | 116 |
| Amounts released from previous periods | (116) | (32) |
| Deferred income at 31 August 2022 | 56 | 116 |

At the balance sheet date, the academy trust was holding funds received in advance for rent at the Stockton site and rates relief grants in respect of Prior Pursglove and Errington sites.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18 Creditors: amounts falling due after one year

| | 2022 | Group | 2022 | Academy Trust |
|-------------|-------|-------|-------|---------------|
| | £ 000 | 2021 | £ 000 | 2021 |
| | £ 000 | £ 000 | £ 000 | £ 000 |
| Other loans | 88 | 84 | 88 | 84 |

Loans of £84,000 from Salix which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £12,000 from March 2020.

Loans of £32,797 from Salix which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £2,186 from March 2022.

19 Provisions

Group

| | Enhanced pensions £ 000 | Total £ 000 |
|------------------------|-------------------------------|----------------|
| At 1 September 2021 | 579 | 579 |
| Credited to SOFA | (29) | (29) |
| Utilised during period | (99) | (99) |
| At 31 August 2022 | 451 | 451 |

Academy Trust

| | Enhanced pensions £ 000 | Total £ 000 |
|------------------------|-------------------------------|----------------|
| At 1 September 2021 | 579 | 579 |
| Credited to SOFA | (29) | (29) |
| Utilised during period | (99) | (99) |
| At 31 August 2022 | 451 | 451 |

The enhanced pension provision relates to the cost of staff who have already left the college's employ and commitments for reorganisation costs from which the college cannot reasonably withdraw at the balance sheet date.

The principal assumptions for this calculation are:

Principal actuarial assumptions

| | 2022 | 2021 |
|---------------|------|------|
| | % | % |
| Interest rate | 3.30 | 1.60 |
| Inflation | 2.90 | 2.60 |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

20 Funds

Group

| | Balance at 1 September 2021 £ 000 | Incoming resources £ 000 | Resources expended £ 000 | Gains, losses and transfers £ 000 | Balance at 31 August 2022 £ 000 |
|--|---|--------------------------------|--------------------------------|---|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 2,783 | 10,505 | (10,100) | (266) | 2,922 |
| Other DfE group grants | 12 | 1,264 | (1,264) | - | 12 |
| Other government grants | 9 | 1,642 | (1,642) | - | 9 |
| COVID-19 income | - | 33 | (33) | - | - |
| Other grants | - | 49 | (49) | - | - |
| | <u>2,804</u> | <u>13,493</u> | <u>(13,088)</u> | <u>(266)</u> | <u>2,943</u> |
| Restricted fixed asset funds | | | | | |
| Capital expenditure from GAG | - | - | - | 266 | 266 |
| Transfer on conversion | 17,650 | - | (471) | - | 17,179 |
| DfE/ESFA capital grants | 345 | 28 | - | - | 373 |
| Revaluation | (4,137) | - | - | - | (4,137) |
| | <u>13,858</u> | <u>28</u> | <u>(471)</u> | <u>266</u> | <u>13,681</u> |
| Pension Reserve | | | | | |
| Pension reserve | (6,971) | - | (864) | 7,409 | (426) |
| Enhanced pensions | (579) | - | 29 | 99 | (451) |
| | <u>(7,550)</u> | <u>-</u> | <u>(835)</u> | <u>7,508</u> | <u>(877)</u> |
| Total restricted funds | <u>9,112</u> | <u>13,521</u> | <u>(14,394)</u> | <u>7,508</u> | <u>15,747</u> |
| Unrestricted funds | | | | | |
| Tees Valley Collaborative Enterprises Limited | (51) | 164 | (153) | - | (40) |
| Other unrestricted funds | 381 | 144 | (5) | - | 520 |
| Total unrestricted funds | <u>330</u> | <u>308</u> | <u>(158)</u> | <u>-</u> | <u>480</u> |
| Total funds | <u>9,442</u> | <u>13,829</u> | <u>(14,552)</u> | <u>7,508</u> | <u>16,227</u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

20 Funds (continued)

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

| | Balance at 1 September 2020 £ 000 | Incoming resources £ 000 | Resources expended £ 000 | Gains, losses and transfers £ 000 | Balance at 31 August 2021 £ 000 |
|--|---|--------------------------------|--------------------------------|---|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 2,062 | 9,812 | (9,061) | (30) | 2,783 |
| Other DfE group grants | 12 | 1,266 | (1,266) | - | 12 |
| Other government grants | 9 | 1,142 | (1,142) | - | 9 |
| COVID-19 income | - | 3 | (3) | - | - |
| Other grants | - | 50 | (50) | - | - |
| | <u>2,083</u> | <u>12,273</u> | <u>(11,522)</u> | <u>(30)</u> | <u>2,804</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 16,955 | 695 | - | - | 17,650 |
| DfE/ESFA capital grants | 535 | 339 | (559) | 30 | 345 |
| Revaluation | (4,137) | - | - | - | (4,137) |
| | <u>13,353</u> | <u>1,034</u> | <u>(559)</u> | <u>30</u> | <u>13,858</u> |
| Pension Reserve | | | | | |
| Pension reserve | (6,361) | (541) | (616) | 547 | (6,971) |
| Enhanced pensions | (582) | - | 32 | (29) | (579) |
| | <u>(6,943)</u> | <u>(541)</u> | <u>(584)</u> | <u>518</u> | <u>(7,550)</u> |
| Total restricted funds | <u>8,493</u> | <u>12,766</u> | <u>(12,665)</u> | <u>518</u> | <u>9,112</u> |
| Unrestricted funds | | | | | |
| Tees Valley Collaborative Enterprises Limited | (11) | 61 | (101) | - | (51) |
| Other unrestricted funds | 230 | 155 | (4) | - | 381 |
| Total unrestricted funds | <u>219</u> | <u>216</u> | <u>(105)</u> | <u>-</u> | <u>330</u> |
| Total funds | <u>8,712</u> | <u>12,982</u> | <u>(12,770)</u> | <u>518</u> | <u>9,442</u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

20 Funds (continued)

Academy

| | Balance at 1 September 2021 £ 000 | Incoming resources £ 000 | Resources expended £ 000 | Gains, losses and transfers £ 000 | Balance at 31 August 2022 £ 000 |
|-------------------------------------|---|--------------------------------|--------------------------------|---|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 2,783 | 10,505 | (10,100) | (266) | 2,922 |
| Other DfE group grants | 12 | 1,264 | (1,264) | - | 12 |
| Other government income | 9 | 1,642 | (1,642) | - | 9 |
| COVID-19 income | - | 33 | (33) | - | - |
| Other grants | - | 49 | (49) | - | - |
| | <u>2,804</u> | <u>13,493</u> | <u>(13,088)</u> | <u>(266)</u> | <u>2,943</u> |
| Restricted fixed asset funds | | | | | |
| Capital expenditure from GAG | - | - | - | 266 | 266 |
| Transfer on conversion | 17,650 | - | (471) | - | 17,179 |
| DfE/ESFA capital grants | 345 | 28 | - | - | 373 |
| Revaluation | (4,137) | - | - | - | (4,137) |
| | <u>13,858</u> | <u>28</u> | <u>(471)</u> | <u>266</u> | <u>13,681</u> |
| Pension Reserve | | | | | |
| Pension reserve | (6,971) | - | (864) | 7,409 | (426) |
| Enhanced pensions | (579) | - | 29 | 99 | (451) |
| | <u>(7,550)</u> | <u>-</u> | <u>(835)</u> | <u>7,508</u> | <u>(877)</u> |
| Total restricted funds | 9,112 | 13,521 | (14,394) | 7,508 | 15,747 |
| Unrestricted funds | | | | | |
| Other unrestricted funds | <u>381</u> | <u>152</u> | <u>(5)</u> | <u>-</u> | <u>528</u> |
| Total funds | <u>9,493</u> | <u>13,673</u> | <u>(14,399)</u> | <u>7,508</u> | <u>16,275</u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

20 Funds (continued)

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

| | Balance at 1 September 2020 £ 000 | Incoming resources £ 000 | Resources expended £ 000 | Gains, losses and transfers £ 000 | Balance at 31 August 2021 £ 000 |
|-------------------------------------|---|--------------------------------|--------------------------------|---|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 2,062 | 9,812 | (9,061) | (30) | 2,783 |
| Other DfE group grants | 12 | 1,266 | (1,266) | - | 12 |
| Other government income | 9 | 1,142 | (1,142) | - | 9 |
| COVID-19 income | - | 3 | (3) | - | - |
| Other grants | - | 50 | (50) | - | - |
| | <u>2,083</u> | <u>12,273</u> | <u>(11,522)</u> | <u>(30)</u> | <u>2,804</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 16,955 | 695 | - | - | 17,650 |
| DfE/ESFA capital grants | 535 | 339 | (559) | 30 | 345 |
| Revaluation | (4,137) | - | - | - | (4,137) |
| | <u>13,353</u> | <u>1,034</u> | <u>(559)</u> | <u>30</u> | <u>13,858</u> |
| Pension Reserve | | | | | |
| Pension reserve | (6,361) | (541) | (616) | 547 | (6,971) |
| Enhanced pensions | (582) | - | 32 | (29) | (579) |
| | <u>(6,943)</u> | <u>(541)</u> | <u>(584)</u> | <u>518</u> | <u>(7,550)</u> |
| Total restricted funds | 8,493 | 12,766 | (12,665) | 518 | 9,112 |
| Unrestricted funds | | | | | |
| Other unrestricted funds | 230 | 155 | (4) | - | 381 |
| Total funds | <u>8,723</u> | <u>12,921</u> | <u>(12,669)</u> | <u>518</u> | <u>9,493</u> |

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at the balance sheet date.

A start up grant was received from the ESFA as a result of the conversion to academy status. The full grant was allocated.

Other DfE/ESFA grants include teachers pay and pension grants, pupil premium, PE and sports grant and other DfE/ESFA grants.

Other government grants comprise funding received from the Local Authority.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

20 Funds (continued)

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to Local Government Pension Scheme ('LGPS') and the pension liability has therefore been aligned with these funds. The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

The inherited fixed asset fund reflects the fixed assets acquired from the Local Authority on conversion to academy status. Depreciation on these assets is charged against this fund.

DfE/ESFA capital grants received in year consist of capital grants received in the year which have been received for expenditure on acquisition and maintenance of fixed assets.

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

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

| | 2022 £ 000 | 2021 £ 000 |
|---|---------------|---------------|
| Prior Pursglove and Stockton Sixth Form College | 179 | 3,056 |
| Errington Primary School | 27 | (54) |
| Tees Valley Collaborative Enterprises Limited | (45) | (52) |
| Bishopton PRU | 110 | 134 |
| Central services | 3,152 | 50 |
| Total before fixed assets and pension reserve | 3,423 | 3,134 |
| Fixed asset reserve | 13,681 | 13,858 |
| Pension reserve | (877) | (7,550) |
| Total | 16,227 | 9,442 |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

20 Funds (continued)

Total cost analysis by academy

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

| | Teaching and educational support staff costs £ 000 | Other support staff costs £ 000 | Educational supplies £ 000 | Other costs (excluding depreciation) £ 000 | Total 2022 £ 000 |
|---|--|---|----------------------------------|---|------------------------|
| Prior Pursglove and Stockton Sixth Form College | 5,909 | 1,545 | 116 | 2,432 | 10,002 |
| Errington Primary School | 709 | 193 | 88 | 254 | 1,244 |
| Bishopton PRU | 747 | 346 | 16 | 149 | 1,258 |
| Tees Valley Collaborative Enterprises Limited | - | - | - | 157 | 157 |
| Central services | 481 | 5 | 2 | 62 | 550 |
| Academy Trust | <u>7,846</u> | <u>2,089</u> | <u>222</u> | <u>3,054</u> | <u>13,211</u> |

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

| | Teaching and educational support staff costs £ 000 | Other support staff costs £ 000 | Educational supplies £ 000 | Other costs (excluding depreciation) £ 000 | Total 2021 £ 000 |
|---|--|---|----------------------------------|---|------------------------|
| Prior Pursglove and Stockton Sixth Form College | 5,712 | 1,430 | 121 | 2,243 | 9,506 |
| Errington Primary School | 792 | 223 | 36 | 184 | 1,235 |
| Bishopton PRU | 233 | 111 | 8 | 43 | 395 |
| Tees Valley Collaborative Enterprises Limited | - | - | - | 110 | 110 |
| Central services | 314 | - | - | 37 | 351 |
| Academy Trust | <u>7,051</u> | <u>1,764</u> | <u>165</u> | <u>2,617</u> | <u>11,597</u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

21 Analysis of net assets between funds

Group

Fund balances at 31 August 2022 are represented by:

| | Unrestricted Funds £ 000 | Restricted General Funds £ 000 | Restricted Fixed Asset Funds £ 000 | Total Funds £ 000 |
|--------------------------|--------------------------------|---|---|----------------------|
| Intangible fixed assets | 5 | - | - | 5 |
| Tangible fixed assets | - | - | 13,676 | 13,676 |
| Current assets | 485 | 4,668 | 5 | 5,158 |
| Current liabilities | (10) | (1,637) | - | (1,647) |
| Creditors over 1 year | - | (88) | - | (88) |
| Provisions | - | (451) | - | (451) |
| Pension scheme liability | - | (426) | - | (426) |
| Total net assets | 480 | 2,066 | 13,681 | 16,227 |

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

| | Unrestricted Funds £ 000 | Restricted General Funds £ 000 | Restricted Fixed Asset Funds £ 000 | Total Funds £ 000 |
|--------------------------|--------------------------------|---|---|----------------------|
| Intangible fixed assets | 8 | - | - | 8 |
| Tangible fixed assets | 2 | - | 13,841 | 13,843 |
| Current assets | 322 | 4,151 | 17 | 4,490 |
| Current liabilities | (2) | (1,263) | - | (1,265) |
| Creditors over 1 year | - | (84) | - | (84) |
| Provisions | - | (579) | - | (579) |
| Pension scheme liability | - | (6,971) | - | (6,971) |
| Total net assets | 330 | (4,746) | 13,858 | 9,442 |

Academy Trust

Fund balances at 31 August 2022 are represented by:

| | Unrestricted funds £ 000 | Restricted general funds £ 000 | Restricted fixed asset funds £ 000 | Total funds £ 000 |
|--------------------------|--------------------------------|---|---|----------------------|
| Tangible fixed assets | - | - | 13,676 | 13,676 |
| Current assets | 528 | 4,670 | 5 | 5,203 |
| Current liabilities | - | (1,639) | - | (1,639) |
| Creditors over 1 year | - | (88) | - | (88) |
| Provisions | - | (451) | - | (451) |
| Pension scheme liability | - | (426) | - | (426) |
| Total net assets | 528 | 2,066 | 13,681 | 16,275 |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

21 Analysis of net assets between funds (continued)

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

| | Unrestricted funds £ 000 | Restricted general funds £ 000 | Restricted fixed asset funds £ 000 | Total funds £ 000 |
|--------------------------|--------------------------------|---|---|----------------------|
| Tangible fixed assets | - | - | 13,841 | 13,841 |
| Current assets | 381 | 4,151 | 17 | 4,549 |
| Current liabilities | - | (1,263) | - | (1,263) |
| Creditors over 1 year | - | (84) | - | (84) |
| Provisions | - | (579) | - | (579) |
| Pension scheme liability | - | (6,971) | - | (6,971) |
| Total net assets | <u>381</u> | <u>(4,746)</u> | <u>13,858</u> | <u>9,493</u> |

22 Long-term commitments, including operating leases

Group

Operating leases

At 31 August 2022 the group had annual commitments under non-cancellable operating leases as follows:

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Amounts due within one year | 27 | 29 |
| Amounts due between one and five years | 27 | 54 |
| | <u>54</u> | <u>83</u> |

Academy Trust

Operating leases

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

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Amounts due within one year | 27 | 29 |
| Amounts due between one and five years | 27 | 54 |
| | <u>54</u> | <u>83</u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

| | Note | 2022 £ 000 | 2021 £ 000 |
|--|------|---------------|---------------|
| Net (expenditure)/income | | (723) | 212 |
| Amortisation | 6 | 3 | 2 |
| Depreciation | 6 | 473 | 561 |
| Capital grants from DfE and other capital income | | (28) | (339) |
| Assets transferred on conversion from the Local Authority | | - | (695) |
| Interest receivable | 5 | (3) | (1) |
| Defined benefit pension scheme obligation inherited | 29 | - | 541 |
| Defined benefit pension scheme cost less contributions payable | 29 | 740 | 507 |
| Defined benefit pension scheme finance cost | 29 | 124 | 102 |
| Enhanced pension provision | | (29) | (25) |
| Increase in debtors | | (98) | (191) |
| Increase in creditors | | 381 | 311 |
| Net cash provided by Operating Activities | | <u>840</u> | <u>985</u> |

24 Cash flows from financing activities

| | 2022 £ 000 | 2021 £ 000 |
|---|---------------|---------------|
| Repayments of borrowing | (26) | (42) |
| Cash inflows from new borrowing | 34 | - |
| Net cash provided by/(used in) financing activities | <u>8</u> | <u>(42)</u> |

25 Cash flows from investing activities

| | 2022 £ 000 | 2021 £ 000 |
|---|----------------|---------------|
| Dividends, interest and rents from investments | 3 | 1 |
| Purchase of tangible fixed assets | (306) | (352) |
| Capital funding received from sponsors and others | 28 | 339 |
| (Increase)/decrease in fixed term deposits | (1,000) | - |
| Net cash used in investing activities | <u>(1,275)</u> | <u>(12)</u> |

26 Analysis of cash and cash equivalents

| | 2022 £ 000 | 2021 £ 000 |
|---------------------------------|---------------|---------------|
| Cash at bank and in hand | <u>3,435</u> | <u>3,862</u> |
| Total cash and cash equivalents | <u>3,435</u> | <u>3,862</u> |

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

27 Analysis of changes in net debt

| | At 1 September 2021 £000 | Cash flows £000 | Other non-cash changes £000 | At 31 August 2022 £000 |
|--|-----------------------------------|--------------------|--------------------------------------|------------------------------|
| Cash | 3,862 | (427) | - | 3,435 |
| Loans falling due within one year | (24) | - | (4) | (28) |
| Loans falling due after more than one year | (84) | (8) | 4 | (88) |
| Total | <u>3,754</u> | <u>(435)</u> | <u>-</u> | <u>3,319</u> |

28 Member liability

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

29 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. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2019.

Contributions amounting to £171,625 (2021 - £168,852) were payable to the schemes at 31 August 2022 and are included within creditors.

Teachers' Pension Scheme

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

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

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

29 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,044,801 (2021: £959,849).

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

Teesside Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £477,000 (2021 - £403,000), of which employer's contributions totalled £354,000 (2021 - £299,000) and employees' contributions totalled £123,000 (2021 - £104,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5 - 12.5 per cent 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.

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

29 Pension and similar obligations (continued)

Principal actuarial assumptions

| | 2022 | 2021 |
|--|------|------|
| | % | % |
| Rate of increase in salaries | 4.20 | 3.70 |
| Rate of increase for pensions in payment/inflation | 3.20 | 2.70 |
| Discount rate for scheme liabilities | 4.30 | 1.70 |
| Inflation assumptions (CPI) | 3.20 | 2.30 |

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

| | 2022 | 2021 |
|------------------------------|-------|-------|
| Retiring today | | |
| Males retiring today | 21.70 | 21.90 |
| Females retiring today | 23.50 | 23.60 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 22.90 | 23.30 |
| Females retiring in 20 years | 25.30 | 25.40 |

Sensitivity analysis

| | At 31 August 2022 | At 31 August 2021 |
|--|-------------------|-------------------|
| | £000 | £000 |
| Discount rate +0.1% | 28 | (413) |
| Discount rate -0.1% | (28) | 413 |
| Mortality assumption – 1 year increase | 56 | 766 |
| Mortality assumption – 1 year decrease | (56) | (746) |
| CPI rate +0.1% | 28 | 354 |
| CPI rate -0.1% | (28) | (354) |

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

| | 2022 | 2021 |
|-------------------------------------|---------------|---------------|
| | £ 000 | £ 000 |
| Equities | 9,262 | 10,024 |
| Property | 2,452 | 925 |
| Cash and other liquid assets | 1,907 | 1,052 |
| Other | - | 672 |
| Total market value of assets | 13,621 | 12,673 |

The actual return on scheme assets was £783,000 (2021 - £2,141,000).

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

29 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

| | 2022 | 2021 |
|---|-------|-------|
| | £ 000 | £ 000 |
| Current service cost | 1,094 | 806 |
| Interest income | (217) | (172) |
| Interest cost | 341 | 281 |
| Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement | 341 | - |
| Total amount recognised in the SOFA | 1,559 | 915 |

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

| | 2022 | 2021 |
|------------------------------|---------|--------|
| | £ 000 | £ 000 |
| At start of period | 19,644 | 16,228 |
| Conversion of academy trusts | - | 1,078 |
| Current service cost | 1,094 | 806 |
| Interest cost | 341 | 281 |
| Employee contributions | 123 | 104 |
| Actuarial (gain)/loss | (6,843) | 1,422 |
| Benefits paid | (312) | (275) |
| At 31 August | 14,047 | 19,644 |

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

| | 2022 | 2021 |
|------------------------------|--------|--------|
| | £ 000 | £ 000 |
| At start of period | 12,673 | 9,867 |
| Conversion of academy trusts | - | 537 |
| Interest income | 217 | 172 |
| Actuarial gain/(loss) | 566 | 1,969 |
| Employer contributions | 354 | 299 |
| Employee contributions | 123 | 104 |
| Benefits paid | (312) | (275) |
| At 31 August | 13,621 | 12,673 |

30 Related party transactions

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

Tees Valley Collaborative Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

30 Related party transactions (continued)

Expenditure related party transactions

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

TalkingHead TV

(The director of this company is a close family member of J Bailey)

Services relating to video filming, editing and production were purchased during the year totalling 2022 - £Nil (2021 - £2,098).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

At the balance sheet date the amount due to TalkingHead TV was £Nil (2021 - £Nil).

Northern Lights Teaching School Alliance

(J Spencer-Plews is a Trustee of Tees Valley Collaborative Trust and the CEO of the Northern Lights Teaching School Alliance.)

E&D training services were purchased during the year totalling 2022 - £Nil (2021 - £900).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

At the balance sheet date the amount due to Northern Lights Teaching School Alliance was £Nil (2021 - £Nil).

31 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £232,686 and disbursed £196,295 from the fund. An amount of £91,083 is carried forward for distribution to students in the period ending 31 August 2022.