

Report and Financial Statements For Year Ending 31 August 2023

Tynecoast Academy Trust

A Multi Academy Trust sponsored by a large general Further Education College with a world wide reputation.

Company Registration Number:
08313162 (England and Wales)

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THE ANNUAL REPORT

1. Trustees' Report

REFERENCE AND ADMINISTRATIVE DETAILS

MEMBERS

Mrs Helen Watson
Tyne Coast College
Mr Clive Johnson
Mr Mark Overton
Mr Colin Seccombe

TRUSTEES

Leslie Watson (Chair)	Quality of Education Governance Implementation Working Group Local Governing Body for Monkwearmouth Academy (to 11/10/23) Data Task Group
Andrew R Watts (Vice-Chair) (end of office 18/12/23)	Quality of Education Finance and Staffing
Malcolm Grady	Quality of Education Data Task Group Implementation Working Group
Michael Whitaker (re-appointed 01/12/22)	Quality of Education Finance and Staffing Data Task Group Implementation Working Group Local Governing Body for North East Futures UTC (to 09/09/22)
Ray Staward (resigned 15/12/22)	Finance and Staffing Governance
Angus Kidd	Quality of Education Data Task Group
Karen Marshall	Finance and Staffing
Andrew Potts (appointed 31/03/23)	Finance and Staffing
Mike Collier (CEO from 01/09/23)	N/A
Robert J Whitelaw (end of office 28/11/22)	Finance and Staffing Governance Local Governing Body for Walker Riverside Academy Local Governing Body for Monkwearmouth Academy
Lindsey J Whiterod (Chief Executive to 31/08/23)	Quality of Education Finance and Staffing
Margaret Savage (resigned 31/03/23)	Quality of Education Finance and Staffing Data Task Group
George Clark (end of office 01/08/23)	Finance and Staffing
Sarah Monk (resigned 13/09/23)	Finance and Staffing Quality of Education Implementation Working Group

Susan Wear (appointed 13/10/23)	Quality of Education
Andrew Butters (appointed 13/10/23)	Finance and Staffing

SENIOR MANAGEMENT TEAM

Chief Executive	L Whiterod (to 31/08/23) M Collier (from 01/09/23)
Deputy Chief Executive	M Collier (to 31/08/23)
Chief Finance Officer	J Cuthbertson (to 31/8/23) M Calvert (from 01/09/23)
Chief Operating Officer	J Cuthbertson (to 31/08/23) M Dobrianski (from 19/10/23)
Executive Director of Human Resources	C Donnelly (to 02/06/23)
Head of HR and Business Operations	M Dobrianski (to 19/10/23)

COMPANY SECRETARY

Neil Longstaff

REGISTERED OFFICE

St George's Avenue
South Shields
NE34 6ET

COMPANY REGISTRATION NUMBER

08313162 (England & Wales)

INDEPENDENT AUDITOR

Mazars
The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

BANKER

Barclays
Percy Street
Newcastle upon Tyne
NE1 4QL

SOLICITOR

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

INTRODUCTION

The Annual Report comprises the following items:

1. Trustees' Report
2. Governance Statement
3. Statement on Regularity, Propriety and Compliance
4. Statement of Trustees' Responsibilities
5. Independent Auditor's Report to the Members of Tyne Coast Academy Trust
6. Independent Reporting Accountant's Report on Regularity

The Financial Statements accompanying the Annual Report comprise the following items:

1. Statement of Financial Activities (SoFA)
2. Balance Sheet
3. Statement of Cash Flows
4. Notes to the Financial Statements

The Trustees present their Annual Report together with the Financial Statements and the Auditor's Report of the charitable company for the year ended 31 August 2023. This Annual Report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

In February 2013, Ridgeway Primary Academy joined the Trust as its first academy. It has a pupil capacity of 420 (excludes nursery) and 400 pupils were on roll at the end of the academic year. In March 2018, Walker Riverside Academy (formerly Walker Technical College) joined the Trust as its first secondary academy. It has a pupil capacity of 1,250 and 1,161 pupils were on roll at the end of the academic year. In September 2018, North East Futures University Technical College (UTC) joined the Trust; it has a pupil capacity of 600 and 321 pupils were on roll at the end of the academic year.

On 1 September 2019, Monkwearmouth Academy and Redby Primary Academy joined the Trust from the now closed Wearmouth Learning Trust. Monkwearmouth Academy has a pupil capacity of 1,516 and 881 pupils were on roll at the end of the academic year. Redby Primary Academy has a pupil capacity of 420 (excluding nursery) and 305 pupils were on roll at the end of the academic year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Tyne Coast 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 Trust. The Trustees of the Trust are also the directors of the company for the purposes of company law. The company operates as Tyne Coast Academy Trust.

Details of the Trustees who served during the year are included above in the *Reference and Administrative Details* section on page 3.

Members' liability

As a charitable company, the Trust must have Members, who have a similar role to the shareholders of a commercial company. Each Member of the charitable company undertakes to contribute to its assets of in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Trustees' indemnities

The Trust is part of the Department for Education's Risk Protection Arrangement (RPA) insurance scheme, which includes cover for Members and Trustees.

Method of recruitment and appointment or election of Trustees

The Trust's Articles of Association, adopted on 1 May 2020, detail the current arrangements for the appointment of Trustees; they are as follows:

- up to eight Trustees, appointed by Members by ordinary resolution;
- the Chief Executive Officer (CEO);
- a minimum of two parent Trustees in the event that no Local Governing Bodies are established; and
- up to two Trustees appointed by the sponsor body.

The Trust may also appoint co-opted Trustees, which include a representative from each of the following areas: primary, secondary and university technical colleges (nominated by the Local Governing Bodies). All Trustees are appointed in accordance with the Trust's Articles of Association.

Policies and procedures adopted for the induction and training of Trustees
The training and induction for new Trustees depends on their existing experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role.

Organisational structure
Trustees are responsible for setting general policy, adopting an annual development plan, approving and monitoring the Trust's budgets, and making major decisions about the strategic direction of the Trust, capital expenditure plans and senior staff appointments.

The Board have established a number of committees, including *Finance and Staffing* (incorporating audit), *Quality of Education* (previously known as Curriculum and Standards), and *Governance and Disciplinary,* all with agreed terms of reference. The Board also has a Local Governing Body (LGB) for each of its academies. A Scheme of Delegation has also been agreed setting out the matters reserved for the Board of Trustees, those delegated to committees, local governing bodies and headteachers.

A management team is established at each academy to undertake day-to-day management and is accountable to the CEO and Trust Board. In 2022/23, the CEO of the Trust was also the Chief Executive of the Sponsor (no longer the case from 1 September 2023).

Arrangements for setting pay and remuneration of key management personnel
The Board of Trustees have agreed teacher pay and teacher appraisal policies and established a performance review process which covers the following:

- the annual performance review of headteachers/principals, including agreeing specific performance objectives and monitoring progress towards them and their achievement, in accordance with legal and regulatory requirements; and
- advise the Finance and Staffing Committee of recommendations in relation to salary review so that they may be formally considered and, if appropriate, actioned in a timely manner.

Trustees do not receive a salary. The Deputy Chief Executive, finance personnel, the HR and Business Operations Manager and a proportion of the salary of the CEO, Chief Operating Officer, Executive Director of Human Resources and the Company Secretary were paid from the central management service budget in 2022/23. These arrangements were reviewed and extensively revised from 1 September 2023.

Trade union facility time
The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the Trust to publish information on facility time arrangements for trade union officials at the Trust:

Relevant union officials

Number of employees who were relevant unions officials during the relevant period (headcount)	Number of full-time equivalent employees
1	0.4

Percentage of time spent on facility time

% of working hours spent on facility time	Number of employees	Total paid facility time hours	Total paid trade union activity hours
0%	0	0	0
1-50%	1	506	0
51-99%	0	0	0
100%	0	0	0

Percentage of pay bill spent on facility time

Total cost of facility time	£23,008
Total pay bill (01/04/22 – 31/03/23)*	£15,479,443
Percentage of pay spent on facility time	0.15%

** Statutory reporting period (not aligned with the Trust's financial year so figures will not with 2022/23 payroll costs)*

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	40%

Related parties and other connected charities and organisations
Tyne Coast College is the sponsor of the Trust. During the period of review, the College has provided IT management and advice to one academy (Ridgeway Primary Academy), as well as financial processing and management, procurement, estates management, human resources operations and management as well as strategic management support to the Trust as a whole.

Engagement with employees (including disabled employees)
The Trust has an equal opportunities policy which covers the unfair treatment of any service user, employee or prospective employee on grounds of disability. The policy is available to all employees.

The Trust recognises equal opportunities as an integral part of the best practice it operates within its workplaces and has established equal opportunity in all areas of its activities, including creating an environment in which the contribution needs of all are valued.

The Trust recognises the importance of internal communication and issues regular updates to headteachers which are then cascaded to the employees within each academy.

Engagement with suppliers, customers and others in a business relationship with the Trust
The Trust comprises five individual academies who are responsible for the majority of their purchases under its Financial Regulations. The Trust has a central procurement function, a shared service with Tyne Coast College that provides support with contract consolidation and tendering exercises. The Trust has a payments team that manages supplier queries and is responsible for making timely payments.

Customers of the Trust engage with the academies through the provision of services.

OBJECTIVES AND ACTIVITIES

Objects and aims
The principal object / aim is the operation of academies in the North East of England.

Objectives, strategies and activities
The Trust's objectives are:

- to advance, for the public benefit, education in the UK, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the academies) and offering a broad and balanced curriculum.

- to promote for the benefit of local inhabitants in the vicinity of any academy the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and the object of improving conditions of the life of the said inhabitants.

The activities carried out to achieve these objectives are all intended to provide the highest quality of education in the public sector. The Trust recognises the needs of all its pupils and students and its decision making is driven entirely by what is best for children.

Public benefit reporting
The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's objectives and aims and in planning future activities for the year. The Trustees consider that the charitable company's aims are demonstrably to the public benefit.

In setting objectives and planning Trust activities, the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE

Current Trust Ofsted status
The current Ofsted status of the Trust schools are set out in the table below:

Academy	Join Date	Ofsted Grade at Join Date	Current Ofsted Grade
Walker Riverside	March 2018	Good September 2017	Requires Improvement June 2022
Monkwearmouth	September 2019	Inadequate February 2019	Good November 2023
North East Futures UTC	September 2018	Not previously inspected	Requires Improvement February 2023
Redby Primary	September 2019	Good June 2017	Good March 2023
Ridgeway Primary	September 2012	Inadequate 2012	Good September 2021

Trust roll
The Trust recognises the needs of all its pupils and students and its decision making is driven entirely by what is best for children. By doing this, the Trust enhances the life chances of the children and young people in its care. Meeting the needs of the most vulnerable and challenging children is a priority in all academies with close relationships with parents/carers developed and maintained as to further raise attainment, resilience and high standards of behaviour. The table below shows the number of students on roll:

	Autumn 23 Census	Summer 23 Census	Spring 23 census	Unit Funding Change
Walker	1,124	1,154	1,159	-35
Monkwearmouth	845	876	878	-33
North East Futures UTC	337	314	272	+65
Redby Primary	275	318	315	-40
Ridgeway Primary	454	464	448	+6
Total	**3,035**	**3,099**	**3,072**	**-37**

The Trust has a falling roll overall of 37 pupils when comparing the Autumn census to the Spring Census. There continues to be a growth in numbers at North East Futures UTC, however, there is a significant reduction in numbers at Walker Riverside, Monkwearmouth and Redby Primary.

Trust learner constitution

The table below shows headline data for pupils/students for Autumn 2023:

	Girls %	Boys %	Pupil Premium %	EAL %	SEN Support %	SEN EHC %
Walker Riverside	47.7	52.3	65.9	17.3	15.5	2.9
Monkwearmouth	43.3	56.7	29.6	3.4	10.8	1
North East Futures UTC	42.5	57.5	37.8	22.3	4.4	1.8
Redby Primary	49.5	50.5	16.1	3.7	9.9	1.1
Ridgeway Primary	45.9	54.1	49.4	4.6	23	2.9

Key performance indicators

Trust KS4 standard and strong basics outcomes - key performance indicators

The tables below show the % of students achieving the key performance measures from published data:

English and Maths GCSE 5+	**2019**	**2020**	**2021**	**2022**	**2023**
Monkwearmouth	31%			35.5%	44%
North East Futures UTC	N/A			16%	23.2%
Walker Riverside	24%			26%	19.1%
English and Maths GCSE 4+	**2019**	**2020**	**2021**	**2022**	**2023**
Monkwearmouth	55%			64.5%	63%
North East Futures UTC	N/A			40%	42.7%
Walker Riverside	51%			47%	39%

Trust KS2 outcomes - key performance indicators

National contextual shift:

- 73% of pupils met the expected standard in reading, down from 75% in 2022
- 73% of pupils met the expected standard in maths, up from 71% in 2022
- 78% of pupils met the expected standard in writing, up from 69% in 2022

Redby Primary:

	2022 Expected progress	**2023 Expected progress**
Reading	69%	81%
Writing	81%	92%
Maths	69%	80%
RWM combined	54%	71%

Ridgeway Primary:

	2022 Expected progress	**2023 Expected progress**
Reading	59%	67%
Writing	69%	61%
Maths	50%	64%
RWM combined	43%	51%

Trust overall percentage absence: attendance remains a Trust priority, the Trust continues to engage with the DfE *Attendance Ambassador* scheme and has a robust action plan in place to improve attendance across all Trust academies.

Trust overall percentage absence data:

	2021/22	2022/23
Walker Riverside	13.9	14.2
Monkwearmouth	10.2	12.5
North East Futures UTC	16.1	21.7
Redby Primary	5.6	5.7
Ridgeway Primary	7.4	7.7

Trust and individual academy updates

The Trust has been partnered with The Gorse Academies Trust (TGAT) by the Regional Director for the academic year 2023/24. This partnership has already been demonstrably impactful in the secondary sector, having reflected on the outcomes from 2022/23, which although in some parts had shown signs of improvement are still not where leaders wanted them to be.

TGAT is one of the highest performing multi academy trusts (MATs) in the country. It is well matched to TCAT by virtue of the fact that it is a cross-phase MAT and has 15 schools all judged to be *good* or better in their latest Ofsted inspection. The CEO, Sir John Townsley, is the link advisor to TCAT and is working closely with Trustees and the CEO to ensure that best practice is embedded in the secondary schools. There are plans to implement similar strategies in the primary schools in the new year. Leaders are confident that this partnership will have traction with Ofsted gradings over the next 18 months and have already received very positive reports from the initial school improvement visits conducted by Sir John and his team.

<u>Monkwearmouth Academy</u>

Monkwearmouth Academy was one of the best performing secondary schools in TCAT in 2022/23. It was pleasing to note that attainment was in line with national and the key measures of standard and strong basics were also in line with national. It was further pleasing to note that from 13 secondary schools in Sunderland, the school was in the top six for performance at GCSE. That said, there is still work to do regarding progress for young people. Learners on average make half a grade less progress than they would be expected to from their key stage two starting points.

The Academy has benefitted from significant investment over time through Condition Improvement Fund (CIF) funding and the benefits of this are now being seen throughout the building including the reopening of the swimming pool and the complete refurbishment of the eight-court badminton sports hall, both of which are attracting a great deal of interest from third-party letting. There is a partnership in place with local company Swim City to provide lessons for not only the learners at Monkwearmouth but also for the feeder primary schools and the community. Currently, there are over 600 young people accessing the resource in community hours and three key feeder primary schools during core hours. All of this is in addition to an enhancement of the PE curriculum for our learners.

There are further plans to invest in the site which include a half million-pound refurbishment of the drama facility to bring another unique selling point to the school. This is important in ensuring the school reaches an intake close to Published Admission Number (PAN) in future years as this will improve the financial sustainability of the school. Trustees are currently considering the financial viability of this project as 50% of the funding is provided by a local charitable foundation with the other 50% being required from the Trust's own funds.

Monkwearmouth has struggled for many years through historic underinvestment in IT infrastructure. TCAT has been successful in 2022/23 in the DfE *Connect the Classroom* scheme to replenish the fibre-optic cabling throughout the school and improve the Wi-Fi connectivity such that learners can benefit from modern technologies. The value of this bid was circa £300,000.

All current indications both externally and internally are that the school is on a very strong trajectory towards an Ofsted verdict of *good*. The school will be inspected before the end of the of the 2022/23

academic year. A verdict of *good* would be transformational in supporting the intake in future years and the financial sustainability of the school. The school needs to be built on reputational excellence within the community to attract the learners that are currently in the feeder system that are moving to secondary schools out of catchment.

North East Futures UTC

North East Futures UTC is making good progress towards addressing the *Areas for Improvement* (AFIs) noted by Ofsted in the February 2023 inspection. There has been support in the academic year 2022/23 from Baker Dearing Educational Trust (BDET), the trust that oversees all UTCs nationally. The UTC has benefited from one day per week of consultancy from an outstanding headteacher from another UTC in the region. This work will come to an end at Christmas, with further work being picked up with the new partnership via TGAT. It is also important to note that TCAT have supported the UTC by relocating a further number of teachers from Walker Riverside Academy to bolster the quality of curriculum delivery. This is being viewed as a very proactive and effective move by all internal and external stakeholders.

The UTC made an unsuccessful application to ESFA to open a year nine cohort. The Regional Director has suggested in her feedback that a new application would be welcomed more positively following a verdict of *good* at the next Ofsted inspection.

One of the biggest challenges that the UTC faces currently is recruitment into Post-16. Leaders are working hard to ensure the offer for Post-16 is different to that available locally and can be competitive in a saturated market. To that end, a very productive partnership has been set up with the national employer to introduce T levels in 2024. Leaders are very optimistic that a cohort of circa twenty learners will form the pilot group of this new qualification. The new qualification attracts significantly greater unit funding from the ESFA per learner and also comes with significant capital grant funding to enhance facilities.

A further challenge at the UTC has been ensuring that learners that are attracted to the provision are fit for purpose for the rigorous academic curriculum on offer. This year, leaders have been proactive in meeting all prospective applicants into year 10 and have achieved a significantly more fit for purpose cohort entering in 2023/24 by doing so. It is notable that in both year 10 and year 11 currently the UTC is oversubscribed indicating its future financial sustainability pending the success of the introduction of T levels and its popularity in the local area. It is also notable that attendance overall has improved and for Year 10 is significantly better than for the Year 10 cohort in 2022/23. The school is making good progress against all areas identified by Ofsted as requiring improvement.

Outcomes in 2022/23 were disappointing. It should be noted however that attendance of that cohort was significantly lower than the national and regional averages despite all best efforts. It should also be noted that of the 44 UTCs nationally, similar challenges were faced and data for headline measures in at least twelve other UTCs were lower than that at the UTC.

Walker Riverside Academy

Walker Riverside Academy was hit hardest by the pandemic of all of the TCAT schools. The school serves an area of extreme deprivation with over 700 students in receipt of Pupil Premium funding. Outcomes in 2022/23 were worryingly low and have led leaders into a more forensic look at staffing, curriculum and resources around attendance improvement. The Trust is currently seeing, in the academic year 2023/24, the green shoots of recovery in attendance - most notably in year 11 where it is arguably most important.

Notwithstanding the Ofsted grading of *requires improvement* given in June 2022, the school remains oversubscribed and in fact had a waiting list in year 7 to enter for 2023 of over 90 applicants. This led the school to revisit the admissions policy to ensure the unique selling point of the football academy had sufficient places to ensure learners that were not within catchment could still access the resource without penalty. The school remains financially robust and the key contributor to overall TCAT reserves.

One of the key challenges outside of education that the school faces is the renegotiation of the PFI contract with the contractor. The RPI trigger clause has been activated by the contractor across the suite of PFI schools in Newcastle leading to significantly increased costs over time. This has forced leaders into reviewing the Curriculum-Led Financial Planning (CLFP) model to ensure efficiencies can be made over time to protect the sustainability of the school within the Trust.

Redby Primary Academy

The Academy had its scheduled Section 5 graded inspection in March 2023. The outcome was extremely pleasing and the school was graded *good* in all categories. The school continues to work hard to extend its cohort into greater percentages of young people achieving greater depth in both maths and reading. The Trust has invested additional teaching capacity in year six for 2023/24 to ensure traction is gained on this important area.

Redby is still under its Published Admission Number (PAN) and as a consequence struggles to contribute to overall TCAT reserves. Leaders have considered a reduction in PAN to create a sustainability plan moving forward. There are two proposed models currently being considered, the first being to move to a one form entry with a PAN of 30 and the second being to have an infant/junior model where there would be a PAN of 30 up to key stage one with a PAN of 45 thereafter. In both cases, there would need to be a reduction of at least two full-time equivalent teachers to ensure the school can contribute to reserves.

Ridgeway Primary Academy

The Academy remains a popular choice with parents and has a stable roll. Outcomes in 2022/23 were broadly in line with expectations and either in line with or just below national. This represents a solid achievement given the area of high deprivation served by the school.

It is notable that the cohort on entry has increasingly complex needs and work is ongoing with South Tyneside Council to ensure the school is fit for purpose for the range of special educational needs and disabilities (SEND) on entry. The Trust's Director of SEND has provided much needed capacity to support diagnosis of need within the school whilst also covering the key maternity leave of the SEND coordinator.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies at Note 1.

Promoting the success of the company

Trustees have acted in accordance with section 172 (1) (a) to (f) of the Companies Act 2006 in order to promote the success of the charity to achieve its charitable objectives, having regard to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

General confirmation of Trustees and Executive Team duties (section 172 statement)

Tyne Coast Academy Trust Members, Trustees and the Executive Team under the regulation of the ESFA and Charity Commission has a clear framework for determining the matters within its remit and has an approved Scheme of Delegation for matters delegated to its committees. The scheme establishes clear financial and strategic thresholds which determine delegation to the executive team and identify matters requiring Board consideration and approval. More information on Trust policies and procedures can be found on the Trust's website.

When making decisions, governors and trustees ensures that he/she acts in the way he/she considers, in good faith and promotes the trusts vision and values. Trustees have shown a commitment to the Nolan Principles and sector/trust requirements regarding probity, propriety and regularity and sign to agree to this.

The interests of the Trust's employees

Trustees and the Executive Team recognise that our employees are fundamental and core to our delivery and achievement of our vision. The success of our trust, depends on attracting, retaining and motivating employees.
The Trust encourages the involvement of its employees in its management through regular briefings and briefings. There is close collaboration between the academies with Headteachers and curriculum leaders sharing best practice. The Trust has introduced Partnership Facilitators to further develop this work so that it is impactful on both school improvement and workload reduction.

New colleagues are onboarded following safer recruitment practices and are fully inducted. Each academy carries out staff wellbeing surveys and each academy offers a bespoke CPD programme.

The Trust is committed to ensuring equality of opportunity for all who learn and work in the organisation. We strive to remove barriers, which place people at a disadvantage, and we actively promote inclusion.

The trust is a disability confident employer and will provide reasonable adjustments for all employees.

The need to foster the company's business relationships with suppliers, customers and others
Delivering the trust's strategy requires strong mutually beneficial relationships with:

- Customers (pupils and their parents / carers);
- The wider community in which the academies are located;
- The Trust's regulatory agencies (the DfE and the ESFA) and other partners, which may include non-government grant funders; and
- Suppliers.

Trustees and the executive team receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from information from the finance and/or procurement function (on contract performance, renewal and future planning), staff wellbeing survey findings, parent and student voice and information provided on DfE funding and statutory returns to the ESFA.

The level of communication with parents and carers remains high. Headteachers are responsible for identifying and engaging with their pupil and parent populations, as well as appropriate stakeholders in their local communities, including representatives of the Local Authority, local businesses and neighbouring schools.

The impact of the Trust's operations on the community and the environment
This aspect is inherent in our strategic ambitions, most notably on our ambition to improve the outcome and life chances of our pupils and have a relentless focus on children. As such, the Board via the Quality of Education Committee receives information on all phases in our academies and also specific groups of pupils (e.g. primary, secondary, SEND, depravation etc). The Local Governing Body of each academy also has delegated responsibility to closely scrutinise the performance of each academy, holding leaders to account and playing a key role in the drive for continuous school improvement.

The desirability of the Trust maintaining a reputation of high standards of business conduct
TCAT aims to support children across the region in a way that at all times supports the requirements of regularity, probity and propriety. The Board reviews and approves clear frameworks e.g. policies, ESFA publications, DfE publications to ensure that its high standards are maintained both internally and externally. This, complimented by the ways the board is informed and monitors regularity, probity and propriety helps assure the decisions it makes and acts to promote the highest standards of business conduct.

The need to act fairly as between members of the Trust
The Board will weigh up all relevant factors by researching, discussing and consultation with the Executive Team (and external advisers where relevant) before determining which course of action best enables delivery of the TCAT strategy taking into account at all times the impact on children. In doing so, Trustees and the Executive Team act fairly and promote the highest standards of integrity.

The Board recognises that it has an important role in assessing and monitoring that our desired culture is embedded in the values, attitudes and behaviours we demonstrate, including in our activities and stakeholder relationships.

FINANCIAL REVIEW

FINANCIAL SUMMARY FOR 2022/23

Schools across the Trust participated in the national free school meals voucher scheme acting as a facilitator for the distribution of vouchers from the scheme provider to parents of eligible pupils. Schools did not incur any exceptional costs or receive any additional funding in respect of this.

The majority of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA), an executive agency of the Government sponsored by the Department for Education, in the form of recurrent grants.

During the year ended 31 August 2023, total expenditure of £26.694m (2021/22: £24.042m) was covered by ESFA grant funding together with other incoming resources. There is a net expenditure for the year of £1.045m (2021/22: £0.571m), before transfers and actuarial gains / losses.

At 31 August 2023, the net book value of fixed assets was £25.003m (2021/22 £25.106m).

The net movement in revenue reserves was an increase of £0.220m, with a reduction in capital reserves of £1.049m primarily due to use of brought forward grant income. All expenditure shown in the *Statement of Financial Activities* is in furtherance of the Trust's objectives.

The Trust held a fund surplus at 31 August 2023 of £26.657m (2021/22: £26.994m) comprising the following:

- Restricted General Fund: £0.424m (up from £0.204m as at 31 August 2022)
- Pension Reserve: £0.000m (up from a £0.492m deficit as at 31 August 2022)
- Restricted Asset Fund: £25.304m (down from £26.353m as at 31 August 2022)
- Unrestricted Funds: £0.929m (no change from 2021/22)

In 2022/23, the Trust reserves movements by school were as follows:

	2021/22 £000	Movement £000	2022/23 £000
Monkwearmouth	30	(85)	**(55)**
North East Futures UTC	(275)	292	**17**
Redby Primary	54	(103)	**(49)**
Ridgeway Primary	594	(56)	**538**
Walker Riverside	766	189	**955**
Central services	(89)	36	**(53)**
Other	53	(53)	**-**
Revenue reserves	**1,133**	**220**	**1,353**
Restricted Fixed Asset Fund	26,353	(1,049)	25,304
Pension Reserve	(492)	492	**-**
Total	**26,994**	**(337)**	**26,657**

PENSIONS

The financial statements report the Trust's share of the Local Government Pension Scheme surplus or deficit on its Balance Sheet in line with the requirements of FRS 102. The Pension Reserve improved from a negative balance to a strongly positive one, noting that for reasons of prudence this has been presented as a nil value rather than as a £1.358m asset (per the actuarial valuation). This may mean that the Trust begins to see lower employer pension contributions over time. Any increases in employer pension contributions must be met from the Trust's budgeted annual income. Pension Reserve surplus and deficits arise from actuarial valuations and as such do not result in a liability that must be settled immediately.

RESERVES POLICY

The Trust has a Reserves Policy to maintain its services and provide for future investment whilst protecting against cash flow deficits. Trustees review the reserve levels at least annually to ensure both short-and longer-term sustainability.

The Charity Commission expects Trustees to decide, publish, implement and monitor their Reserves Policy so that they can comply with their legal duties to:

- act in the interests of their charity and its beneficiaries
- protect and safeguard the assets of their charity
- act with reasonable care and skill
- ensure their charity is accountable

Managing reserves is an important part of the Trust's financial management and planning activities, and Trustees understand the need to maintain reserves at levels that are not too high (as holding excessive reserves will limit spend on charitable activities and potentially in investment that will bring additional benefits) and are not too low (which increases the risk of unsustainability in the event of financial difficulties).

The current Reserves Policy requires the Trust to work towards holding one month's worth of annual budgeted salary expenditure or around £1.45m. This was amended during 2023/24 to 5% of income over a three-year rolling average, or around £1.25m. This level of average reserves is felt to be sufficient to provide the Trust with enough funds to carry out its activities and still provide an adequate buffer in the event of a significant financial event, with the move to 5% of income freeing up additional funds for investment in capital works and revenue projects targeting school improvement activities.

The Trust has four reserves:

- **Unrestricted Reserve**: this contains historic academy funds and can be spent at the discretion of the Trustees and / or the executive team;
- **Restricted General Fund**: this fund is restricted for use in accordance with a funding agreement or similar (for example: General Annual Grant funding which may only be spent as directed by the government);
- **Restricted Fixed Asset Reserve**: this is specifically held for capital purposes; it equates to the net book value of the Trust's fixed assets plus any unspent capital grants. It can only be used via any unspent capital grants or through the disposal of assets held by the Trust; and
- **Pension Reserve**: this is not a usable reserve, but represents the long-term asset or liability associated with the Trust's interest in the Local Government Pension Scheme; the presence of a pension deficit will potentially result in an increase in employer's pension contributions over a period of years.

Movements in the Trust's reserves are set out in the *Financial Summary for 2022/23* above.

INVESTMENT POLICY

The Trust currently holds all cash in its current account. The Trust has approved a Treasury Management Policy that will allow the Trust to put money onto deposit with several major high street banks. The main aim of the policy is capital security rather than the maximising of returns.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trust is subject to several risks and uncertainties in common with other academies that have been identified and reviewed by the Trustees. The Trust has systems and procedures in place to identify and mitigate risks. The principal risks and uncertainties are discussed below but these should be read in conjunction with the Risk Management section of this report and in the Governance Statement.

The key controls used by the Trust include:

- formal agendas and minutes for all committee and Board activity;
- terms of reference for the Board and its committees;
- comprehensive strategic planning, budgeting and management reporting;
- clear lines for reporting;

- formal written policies;
- scheme of delegation; and
- vetting procedures as required by law for the protection of the vulnerable.

There are a number of strategic risks that may impact on Trustees' responsibilities to ensure the estate is safe, well maintained and complies with relevant regulations; actions to ensure that these risks are mitigated are set out in the Strategic Report.

Income risks

As the majority of the Trust's funding comes from one main funder (the ESFA), there is reliance on this funding remaining at a level sufficient to cover the financial requirements of the Trust and its academies. Funding for schools and academies is under pressure and the Trust must ensure that it maximises learner numbers by continuing to improve the reputation of the academies to ensure they remain viable.

Cash flow risk

The Trust currently considers it has sufficient cash reserves for its day-to-day operations.

FUNDRAISING

The individual academies within the Trust carry out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds.

STREAMLINED ENERGY AND CARBON REPORTING

UK greenhouse gas emissions and energy use data for the period	**01/09/22 to 31/08/23**	**01/09/21 to 31/08/22**
Energy consumption used to calculate emissions (kWh)	5,299,141	5,816,148
Energy consumption break down (kWh)		
Gas	3,818,507	4,271,429
Electricity	1,408,472	1,517,639
Transport fuel	72,162	27,080
Scope 1 emissions in metric tonnes CO_2e		
Gas consumption	697.11	779.71
Owned transport: minibuses	18.26	5.89
Total scope 1	**715.36**	**785.60**
Scope 2 emissions in metric tonnes CO_2e		
Purchased electricity	291.66	293.48
Scope 3 emissions in metric tonnes CO_2e		1.70
Business travel in employee-owned vehicles	1.67	
Total gross emissions in metric tonnes CO_2e	1,008.69	1,080.77
Intensity ratio		
Tonnes CO_2e per pupil	0.33	0.35

Quantification and reporting methodology

The Trust has followed the *2019 HM Government Environmental Reporting Guidelines* and has used the *GHG Protocol Corporate Accounting and Reporting Standard* and the Government's 2023 conversion factors for reporting on greenhouse gas emissions.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Trust has completed a new boiler installation and undertaken roof replacement and LED lighting works to increase energy efficiency.

PLANS FOR FUTURE PERIODS

The Trust will strive to provide outstanding education and improve the levels of performance of its students in all academies. The Trust is interested in growing and increasing the number of schools it manages.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of others.

AUDITOR

Insofar 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.

APPROVAL OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Annual Report and Financial Statements were approved by the Board of Trustees on 19 January 2024 and signed on its behalf by:

Signature: 

Name: L Watson
Position: Chair of the Board of Trustees
Date: 19 January 2024

2. Governance Statement

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that the Trust which is sponsored by Tyne Coast College has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and taken account of the guidance in the DfE's Governance Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive**,** as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. 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 seven times during the year. All meetings of the Trust and its committees have been hybrid meetings whereby attendance has been in person or via Microsoft Teams, which has generally worked well for all. Attendance during the year at meetings of the Board of Trustees is detailed below:

Trustee	Meetings attended (up to 31.08.23)	Out of a possible (up to 31.08.23)
L Watson (Chair)	5	5
G Clark	3	4
M Grady	5	5
A Kidd	5	5
K Marshall	5	5
S Monk	4	5
A Potts	1	2
M Savage	3	3
R Staward	2	2
A Watts	4	5
M Whitaker	5	5
R J Whitelaw (Vice-Chair)	1	1
L Whiterod (CEO)	4	5

The Board undertakes a skills/knowledge and training needs analysis, enabling it to explore its skills and knowledge base, as part of an overall assessment of its effectiveness. The information obtained is used to organise committees, delegation of specific tasks, appointment and reappointment of Trustees and will help to identify future training and information needs.

In addition, the Board has implemented a governance self-assessment strategy, which is based on questions published by the All-Party Parliamentary Group on Education and in line with the National Governors' Association's *Competency Framework for Governance*. The self-assessment process commences during the autumn term each year and the Chair's performance review is carried out prior to the appointment of the Chair for the forthcoming year.

In addition, an external governance review was undertaken, with the results being extremely positive.

There were no major changes in the Board of Trustees or the executive team that could have caused any instability in term of the Board's functioning

The Board's coverage included areas such as the following:

- Five-Year Strategic Plan review
- Budget approval for 2023/24 plus there-year forecasts
- Internal Audit reporting on key areas
- Examination of the work of the Trust's committees
- 2021/22 Annual Report and Financial Statements approval
- Regular governance reviews
- Regular safeguarding, estates, HR, IT and internal policy updates
- Staff absence monitoring
- Review of the 2023 Schools Resource Management Adviser report

One challenge during 2022/23 was the decision by the Board to move to a more stand-alone mode (i.e. more direct staffing and less support from the sponsor), which has resulted in some significant changes that have mostly started to take effect during 2023/24. Whilst there have been some difficulties, the changes are seeing very positive results.

The information supplied to the Board must be accurate and at the appropriate level of detail to assure Trustees as to the position of the Trust; strong IT system, professional and experienced staff, regular audits of systems and processes, and robust challenge ensures that Trustees are assured as to the quality of their information.

Governance self-assessment includes the following documents/procedures:

- Board performance review
- Individual performance reviews
- Performance reviews of Chairs
- Procedures for appointments and reappointments to the Board
- Trustees'/governors' Code of Conduct
- Role descriptor for Trustees

The Board is scheduled to meet four times per year. However, to maintain effective oversight, the Trust has a committee structure in place consisting of a Quality of Education Committee and a Finance and Staffing Committee. The Quality of Education Committee met five times and the Finance and Staffing Committee met 6 times during 2022/23. The Board has a Scheme of Delegation in place which makes clear, in a simple and concise manner, where the decision-making authority lies at each level of governance. The Board takes assurance from the work of these committees and the work of the Trust's internal auditors with regard to the financial information provided and data analysis undertaken. Financial information is also provided to Trustees on a monthly basis (occasionally this may be bi-monthly) via an online portal to ensure that the latest monthly information is available to them.

Conflicts of interest

Trustees complete an annual declaration of their interests, which forms the Annual Register of Interests for the Trust. The Register is published on the Trust's website for information. In addition, Declaration of Interests is a standing item on the agenda of each meeting of the Board and its committees to ensure any potential conflicts are managed appropriately.

The Finance and Staffing Committee

The Finance and Staffing Committee is a committee of the main Board of Trustees whose purpose is to oversee the Trust's financial affairs, including audit, and report as appropriate to the Board. It regularly reviews the financial policies and procedures and monitors income and expenditure throughout the year. The committee also considers and recommends the acceptance/non-acceptance of the budget before the start of each financial year. This committee is also responsible for dealing with staffing matters including the appointment and removal of senior staff at the Trust.

Trustee	Meetings attended (up to 31.08.23)	Out of a possible (up to 31.08.23)
L Whiterod (CEO)	5	6
G Clark	5	6
K Marshall	5	6
S Monk	3	6
A Potts	2	2
M Savage	1	1
R Staward	3	3
A Watts	2	3
M Whitaker	3	3
R J Whitelaw	1	1

Governance reviews
In addition to the above self-assessment, the Trust have commissioned external governance reviews focussing on Walker Riverside Academy, North East Futures UTC, Monkwearmouth Academy (follow-up) and the latest being for the Trust, which was published January 2023.

With regard to the reviews, several recommendations were highlighted, which have been addressed through a Governance Action Plan.

The implementation of the above has improved governance arrangements across the academies and Trust. The Trustees have taken very effective steps to improve the make-up of the Boards as well as streamlining its systems and structures to include clear lines of accountability and reporting procedures.

Review of value for money
As Accounting Officer, the Chief Executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider social outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Robust challenge of budget holder monitoring by the Finance Team
- Tendering of contracts for cleaning, catering, print services and broadband
- Ensuring compliance with the Trust's Financial Regulations
- Rigorous performance management and challenge by Trustees
- Shared services with the sponsor to ensure best value for money

Use of resources
The Trust engaged proactively with an assigned School Resource Management Adviser (SRMA) during the 2022/23 financial year and identified a number of target areas for savings in staffing costs. These savings targets are being identified through curriculum led financial planning and will lead to the reduction in staffing to create efficient timetabling over the academic year 2023/24. This in turn will free up financial resource to help enrich the curriculum further.

The Trust has used its School Condition Allowance (SCA) to ensure there are better accessibility and safeguarding arrangements at Monkwearmouth Academy. There has also been a successful bid to the *Connect the Classroom* scheme run by the Department for Education to improve fibre-optic connectivity at Monkwearmouth.

A new library has been provided at Ridgeway Academy in addition to the replacement of an outdated heating system. Essential repairs have also been undertaken across the estate.

The Trust has its own estates team and health and safety service that ensures all major project work that is classed as urgent from the school condition surveys are completed in a timely manner.

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of this Annual Report and Financial Statements.

Capacity to handle risk
The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

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. 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 staffing committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed RSM as internal auditor for the 2022/23 year.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the following Trust systems and processes:

- Estates management;
- Key financial controls; and
- Arbor management information system.

On an annual basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The work was carried out as planned and any recommendations made as part of the review were agreed by management.

Review of effectiveness

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year 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 and the school resource management self-assessment tool; and
- the work of the executive 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 Staffing Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 19 January 2024 and signed on its behalf by:

Signatures: 

Name:	L Watson	M Collier
Position:	Chair of the Board of Trustees	Accounting Officer
Date:	19 January 2024	19 January 2024

3. Statement on Regularity, Propriety and Compliance

As Accounting Officer of Tyne Coast Academy Trust, I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with the ESFA's terms and conditions of funding, including for estates safety and management, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2022.

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

Signature: 

Name: M Collier
Position: Accounting Officer
Date: 19 January 2024

4. 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' Annual Report and the Financial Statements in accordance with the *Academies Accounts Direction 2022 to 2023* published by the Education and Skills Funding Agency, UK accounting standards and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under this 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 the 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 then apply them consistently;
- observe the methods and principles in the *Charities SORP 2019* and the *Academies Accounts Direction 2022 to 2023;*
- make judgements and 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 its 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 the ESFA/Department for Education 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Signature: 

Name: L Watson
Position: Chair of the Board of Trustees
Date: 19 January 2024

5. Independent Auditor's Report to the Members of Tyne Coast Academy Trust

Opinion
We have audited the financial statements of Tyne Coast Academy Trust ("the 'Academy Trust') for the Year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities; Statement of Recommended Practice applicable to Charities (Charities SORP 2019) and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion, the financial statements:

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

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

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

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

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

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statement. 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.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the incorporated Strategic Report.

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

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

Responsibilities of Trustees
As explained more fully in the Trustees' responsibilities statement set out on page 24, the trustees (who are also the directors for the purposes of company law) 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the Academy Trust and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Academy Trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;

- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Academy Trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the funding agreement with the Department of Education, tax legislation, pension legislation, the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

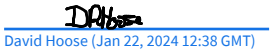
- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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


David Hoose (Jan 22, 2024 12:38 GMT)

David Hoose (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Corner
Bank Chambers
26 Mosley Street
Newcastle Upon Tyne
NG1 1DF

Date: Jan 22, 2024

6. Independent Reporting Accountant's Report on Regularity

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

In accordance with the terms of our engagement letter dated 19 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tyne Coast Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Tyne Coast Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Tyne Coast Academy Trust and the ESFA those matters we are required to state to it 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 Tyne Coast Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Tyne Coast Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Tyne Coast Academy Trust's funding agreement with the Secretary of State for Education dated 21 August 2015 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

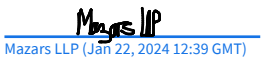
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP

Chartered Accountants and Statutory Auditor

The Corner

Bank Chambers

26 Mosley Street

Newcastle Upon Tyne

NG1 1DF

Date: Jan 22, 2024

THE FINANCIAL STATEMENTS

Statement of Financial Activities for the year ended 31 August 2023

(Including Income and Expenditure Account)

	Note	2022/23 Unrestricted Fund £000	2022/23 Restricted General Fund £000	2022/23 Restricted Fixed Asset Fund £000	2022/23 Total £000	2021/22 Unrestricted Fund £000	2021/22 Restricted General Fund £000	2021/22 Restricted Fixed Asset Fund £000	2021/22 Total £000
Income from:									
Donations and capital grants	3	(43)	-	(1,308)	(1,351)	(13)	-	(2,289)	(2,302)
Charitable activities:									
Funding for the academy trust's educational operations	4	-	(23,603)	-	(23,603)	-	(20,570)	-	(20,570)
Other trading activities	5	(29)	(666)	-	(695)	-	(599)	-	(599)
Total		(72)	(24,269)	(1,308)	(25,649)	(13)	(21,169)	(2,289)	(23,471)
Expenditure on:									
Charitable activities:									
Academy trust educational operations	6	72	23,946	2,676	26,694	13	22,368	1,661	24,042
Total		72	23,946	2,676	26,694	13	22,368	1,661	24,042
Net (income) / expenditure		**-**	**(323)**	**1,368**	**1,045**	**-**	**1,199**	**(628)**	**571**
Transfers between funds	14	-	319	(319)	-	-	325	(325)	-
Other recognised gains/losses:									
Actuarial (gains)/losses on defined benefit pension schemes	20	-	(708)	-	(708)	-	(9,210)	-	(9,210)
Net movement in funds		**-**	**(712)**	**1,049**	**337**	**-**	**(7,686)**	**(953)**	**(8,639)**
Reconciliation of funds									
Total funds brought forward		**(929)**	**288**	**(26,353)**	(26,994)	**(929)**	**7,974**	**(25,400)**	**(18,355)**
Net movement in funds		-	(712)	1,049	337	-	(7,686)	(953)	(8,639)
Total funds carried forward		**(929)**	**(424)**	**(25,304)**	**(26,657)**	**(929)**	**288**	**(26,353)**	**(26,994)**

NON-CONFIDENTIAL

Balance Sheet for the year ended 31 August 2023

Company Registration Number:
08313162 (England and Wales)

	Note	2022/23 £'000	2022/23 £'000	2021/22 £'000	2021/22 £'000
Fixed assets					
Tangible assets	11		25,003		25,106
Current assets					
Debtors	12	1,333		2,529	
Cash at bank and in hand		3,117		2,487	
		4,450		5,016	
Liabilities					
Creditors: amounts falling due within one year	13	(2,796)		(2,636)	
Net current assets			**1,654**		**2,380**
Total assets less current liabilities			**26,657**		**27,486**
Net assets excluding pension asset / liability			**26,657**		**27,486**
Defined benefit pension scheme asset / (liability)	20		-		(492)
Total net assets			**26,657**		**26,994**
Funds of the Trust:					
Restricted funds					
Restricted Fixed Asset Fund	14	25,304		26,353	
Restricted General Fund	14	424		204	
Restricted Pension Reserve	14	-		(492)	
Total restricted funds			25,728		26,065
Unrestricted Fund	14		929		929
Total funds			**26,657**		**26,994**

The Financial Statements on pages 30 to 50 were approved by the Board of Trustees and authorised for issue on 19 January 2024 and are signed on their behalf by:

Signature: Leslie Watson

Name: L Watson
Position: Chair of the Board of Trustees
Date: 19 January 2024

Statement of Cash Flows for the year ended 31 August 2023

	Note	2022/23 £'000	2021/22 £'000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	16	(5)	(457)
Cash flows from investing activities	17	635	922
Change in cash and cash equivalents in the reporting period		630	465
Cash and cash equivalents at the beginning of the year	18	2,487	2,022
Cash and cash equivalents at the end of the year		**3,117**	**2,487**

Notes to the Financial Statements for the year ended 31 August 2023

1. Accounting policies

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

a. Basis of preparation

The financial statements of the Tyne Coast Academy Trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), the Accounting and Reporting by the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (Charities SORP (FRS 102)), the *Academies Accounts Direction 2022 to 2023* issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102.

b. 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 these Financial Statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

c. Income

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured with sufficient reliability.

Grants receivable

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

General Annual Grant is recognised in full in the *Statement of Financial Activities* in the year in 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 grant are reflected in the *Balance Sheet* in the Restricted Fixed Asset Fund. Capital grants are recognised where 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 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 it can be measured reliably.

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in *stock*

and *income from other trading activities*. Upon sale, the value of the stock is charged against *income from other trading activities* and the proceeds are recognised as *income from other trading activities*. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within *income from other trading activities*.

Property and other assets leased / acquired on formation

The Trust leased the property of Ridgeway Primary Academy on a 125-year lease at no consideration in 2013. The building assets have been included at the valuation made by South Tyneside Council in 2011/12 (2007/08 for the multi-use games area) and depreciated in line with the Trust's depreciation policy. Furniture acquired on conversion has been valued at a discounted replacement cost and is depreciated over the useful economic life in accordance with the Trust's depreciation policy.

Transfer on conversion / transfer from another trust

Where assets and liabilities are received by the Trust on conversion or transfer of 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 Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

d. 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:

- **Expenditure on raising funds**: this includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities

All resources expended are inclusive of irrecoverable VAT.

e. Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the *Balance Sheet* at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to the Restricted Fixed Asset Fund in the *Statement of Financial Activities* and carried forward in the *Balance Sheet*. Depreciation on the relevant assets is charged to the Restricted Fixed Asset Fund in the *Statement of Financial Activities*. Where tangible fixed assets have been acquired with unrestricted funds, depreciation is charged to the Unrestricted Fund.

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

- Ridgeway Primary Academy long leasehold buildings: 48 years
- North East Futures UTC Academy long leasehold building: 125 Years
- Monkwearmouth Academy long leasehold building: 50 years

- Redby Primary Academy long leasehold building: 50 years
- Ridgeway Primary Academy internal building improvements / services: 15 years
- Ridgeway Primary Academy multi-use games area: 15 years
- Fixtures, fittings and equipment: 10 years
- ICT equipment: 4 years

The first six categories are classified as *leasehold land and buildings* and the last two categories are classified under *furniture and equipment*.

Assets during construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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*.

f. Liabilities

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

g. Provisions

Provisions are recognised when the 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.

h. Leased assets

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

i. Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 12. Prepayments are not financial instruments
- *Cash at bank:* is classified as a basic financial instrument and is measured at face value.
- *Financial liabilities*: trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Taxation and social security are not included in the financial instrument 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.

j. Taxation

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

k. Pension benefits

Retirement benefits to employees of the 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 to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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 method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income / expenditure are the current service costs and gains and losses on 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*.

l. Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

m. Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the *Statement of Financial Activities* as the Trust has no beneficial interest in the funds. Any unspent funds will be included as amounts payable to the ESFA. Funds received and paid, and any balances held on behalf of the ESFA, are disclosed in Note 22.

n. Public Finance Initiative (PFI)

The trust occupies certain land and buildings under a PFI agreement until a certain future date at which point the lease transfers to the Trust. The Trust accounts for the PFI as an operating lease as the building will revert to the ownership of Newcastle City Council at the end of the contract. All lease liabilities have been included in Note 22.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on several 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 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pension liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For all academies in the Trust, the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date. Therefore for these schools the plan has a notional surplus. Note 20 includes details of the effects of changes in the key assumptions on this liability. As the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a notional surplus. As management do not consider that the Trust will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 of FRS102.

As noted in Accounting Policy *n*. above, the Trust occupies certain land and buildings under a PFI agreement until a certain future date, at which point the assets transfer back to Newcastle City Council. Due to the nature of these arrangements, the land is held on the Trust's Balance Sheet and the PFI buildings acquired on conversion are excluded (as they are held on Newcastle City Council's balance sheet) and the PFI contract is treated by the Trust as an operating lease (see Note 22).

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was previously subject to limits on the amount of GAG that could be carried forward from one year to the next. These restrictions are no longer in place.

3. Donations and capital grants

	2022/23				2021/22
	Unrestricted Funds	Restricted General Funds	Restricted Fixed Assets Funds	Total	Total
	£000	£000	£000	£000	£000
Capital grants	-	-	(1,308)	(1,308)	(2,289)
Donations	(43)	-	-	(43)	(13)
Total 2022/23	**(43)**	**-**	**(1,308)**	**(1,351)**	**(2,302)**

4. Funding for the Trust's Educational operations

	Unrestricted Funds	2022/23 Restricted Funds	Total	2021/22 Total
	£000	£000	£000	£000
DfE / ESFA grants				
General Annual Grant (GAG)	-	(18,910)	(18,910)	(17,392)
Pupil Premium	-	(1,517)	(1,517)	(1,587)
Pupil number adjustment	-	-	-	25
Other DfE grants				
Schools Supplementary Grant		(554)	(554)	-
Other	-	(1,274)	(1,274)	(778)
	-	(22,255)	(22,255)	(19,732)
Other Government grants				
Local authority grants	-	(1,089)	(1,089)	(419)
Special educational projects	-	(102)	(102)	(290)
	-	(1,191)	(1,191)	(709)
Other income from the Trust's educational operations	-	(157)	(157)	(129)
Total	**-**	**(23,603)**	**(23,603)**	**(20,570)**

5. Other trading activities

	Unrestricted Funds	2022/23 Restricted Funds	Total	2021/22 Total
	£000	£000	£000	£000
Academy trips	-	(187)	(187)	(122)
Hire of facilities	(29)	-	(29)	(48)
Income from other charitable activities	-	(17)	(17)	(13)
Income from ancillary trading activities	-	(462)	(462)	(416)
	(29)	**(666)**	**(695)**	**(599)**

6. Expenditure

Academy's educational operations:

	Staff Costs	Premises	Other	2022/23 Total	2021/22 Total
	£000	£000	£000	£000	£000
Direct costs	14,101	-	1,021	**15,122**	15,239
Allocated support costs	3,145	4,424	4,003	**11,572**	8,803
Total	**17,246**	**4,424**	**5,024**	**26,694**	**24,042**

Analysis of charitable activities:

	2022/23	2021/22
	£000	£000
Direct costs - educational operations	15,122	15,239
Direct costs - teaching school hub	11,572	8,803
	26,694	**24,042**

Analysis of support costs:

	2022/23	2021/22
	£000	**£000**
Support staff costs	3,145	1,684
Support depreciation	772	1,661
Support premises costs	4,424	2,999
Technology costs	374	-
Other support costs	2,801	2,386
Governance costs	56	73
	11,572	**8,803**

Net income / expenditure for the financial year includes:

	2022/23	2021/22
	No.	No.
Operating lease rentals (incl. PFI)	737	733
Depreciation (excl. disposals)	772	1,661
Gain / loss on disposal of fixed assets	8	-
Fees payable to the auditor for:		
• audit	27	24
• other services	2	4

7. Staff

a. Staff costs

Staff costs during the period were:

	2022/23	2021/22
	£000	**£000**
Wages and salaries	12,184	11,072
Social security costs	1,311	1,203
Pension costs	2,837	2,442
	16,332	14,717
Agency staff costs	819	601
Staff restructuring costs	95	47
	17,246	15,365
Staff restructuring costs comprise:		
Redundancy payments	-	47
Severance payments	95	-
	95	47

b. Severance payments

The academy trust paid four severance payments in the year, disclosed in the following bands:

£0 - £25,000	2
£25,001 - £50,000	2
£50,001 - £100,000	0
£101,001 - £150,000	0
£150,001+	0

Included in staff restructuring costs are special severance payments totalling £16,411 (2022: £nil). Individually, the payments were £10,921 and £5,490.

c. Staff numbers

The average number of personnel employed by the Trust during the financial year was:

	2022/23	2021/22
	No.	No.
Teachers	**194**	184
Administration and support	**175**	179
Management	**10**	10
	379	**373**

d. Higher paid staff

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

	2022/23	2021/22
	No.	**No.**
£60,001 - £70,000	11	6
£70,001 - £80,000	2	2
£80,001 - £90,000	2	4
£90,001 - £100,000	3	0
£100,001 - £110,000	0	0
£110,001 - £120,000	0	0
£120,001 - £130,000	1	1

e. Key management personnel

The key management personnel of the Trust comprised the senior management team listed on page 3. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £444,565 (2021/22: £315,362).

8. Central services

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

- Trust leadership
- School improvement support (primary and secondary)
- Finance management, support and advice
- Finance software and licenses
- Procurement management, support and advice
- Operational support
- Central governance and governing body support
- Data protection officer and compliance
- Estates management

The Trust charge for these services within 2022/23 at a flat rate of 6% of GAG income. The actual amounts charged during the year were as follows:

	2022/23	2021/22
	£000	**£000**
Walker Riverside Academy	**495**	440
Monkwearmouth Academy	**304**	273
North East Futures UTC Academy	**119**	67
Ridgeway Primary Academy	**138**	133
Redby Primary Academy	**73**	80
	1,128	993

9. Related party transactions: Trustees' remuneration and expenses

The staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Trust is respect of their role as trustees.

No Trustees received any remuneration for the year ended 31 August 2023. However, it should be noted that Lindsay Whiterod was remunerated as the Trust's Chief Executive; all payments for services were included within the corporate services recharge from Tyne Coast College (see Note 24) and as such no payroll information is available for inclusion here.

During the year ended 31 August 2023, travel and subsistence expenses totalling £506 (2022: nil) were reimbursed or paid directly to two Trustees.

10. Trustees' and officers' insurance

The 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 Trust 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 membership. The cost of this insurance is included in the total insurance cost. The total cost for the financial year ended 31 August 2023 was £65,300 (2022: £55,376).

11. Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Assets under construction	Furniture and equipment	ICT	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2022	2,160	26,185	176	2,237	-	**30,758**
Additions	-	23	-	181	469	**673**
Disposals	-	-	-	(10)	-	**(10)**
Transfers	-	176	(176)	-	-	**-**
At 31 August 2023	2,160	26,384	-	2,408	469	**31,421**
Depreciation						
At 1 September 2022	-	(4,396)	-	(1,256)	-	**(5,652)**
Charged in year	-	(419)	-	(328)	(25)	**(772)**
Disposals	-	-	-	6	-	**6**
At 31 August 2023	-	(4,815)	-	(1,578)	(25)	**(6,418)**
Net book values						
At 31 August 2022	2,160	21,789	176	981	-	**25,106**
At 31 August 2023	**2,160**	**21,569**	**-**	**830**	**444**	**25,003**

In 2017/18, Walker Riverside Academy joined the Trust. The Academy was formerly a foundation school so the land was valued by the Trust at conversion using a professional firm of land agents, but the school building is part of a PFI contract and are therefore not capitalised. Furniture and equipment acquired on conversion has been valued at a discounted replacement cost and is depreciated over the useful economic life in accordance with Trust policies.

12. Debtors

	2022/23	2021/22
	£000	**£000**
Trade debtors	110	127
VAT recoverable	48	256
Prepayments and accrued income	1,175	2,146
	1,333	**2,529**

13. Creditors: amounts falling due within one year

	2022/23	2021/22
	£000	**£000**
Trade creditors	(405)	(418)
Other taxation and social security	(315)	(295)
Other creditors	(308)	-
Accruals and deferred income	(1,768)	(1,923)
	(2,796)	**(2,636)**

Deferred income:

	2022/23	2021/22
	£000	**£000**
Deferred income at 1 September	**283**	455
Released from previous years	**(283)**	(455)
Resources deferred in the year	**58**	283
Deferred income at 31 August	**58**	283

At the balance sheet date, the Trust held deferred income balances relating to the following items:

- Alternative provision: £0.004m
- Business rates: £0.003m
- Free school meals income: £0.051m

14. Funds

The academy trust is not subject to GAG carried forward limits. Fund movements are as follows:

2022/23	Opening balance £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Closing balance £000
Restricted general funds					
Restricted General Fund:					
General Annual Grant (GAG)	454	18,910	(18,371)	(319)	**674**
Pupil Premium Grant	-	1,517	(1,517)	-	**-**
Schools Supplementary Grant	-	554	(554)	-	**-**
Other restricted	351	2,014	(2,014)	-	**351**
Transfer in of existing academies	(736)	-	-	-	**(736)**
Other DFE/ESFA grants	135	1,274	(1,274)	-	**135**
Pension reserve	(492)	-	(216)	708	**-**
	(288)	**24,269**	**(23,946)**	**389**	**424**
Restricted Fixed Asset Fund					
Transfer on conversion	24,797	-	-	-	**24,797**
DfE capital grants	4,532	1,308	(2,676)	-	**3,164**
Capital transferred from GAG	(2,976)	-	-	319	**(2,657)**
	26,353	1,308	(2,676)	319	**25,304**
Total restricted funds	**26,065**	**25,577**	**(26,622)**	**708**	**25,728**
Unrestricted Fund	**929**	72	(72)	-	**929**
Total funds	**26,994**	**25,649**	**(26,694)**	**708**	**26,657**

Prior year comparators for 2021/22 are as follows:

2021/22	Opening balance £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Closing balance £000
Restricted general funds					
Restricted General Fund:					
General Annual Grant (GAG)	649	18,954	(18,905)	(244)	**454**
Start Up Grant	40	-	-	(40)	**-**
Other restricted	351	728	(728)	-	**351**
Transfer in of existing academies	(695)	-	-	(41)	**(736)**
Other DfE/ESFA grants	135	1,487	(1,487)	-	**135**
Restricted Pension Reserve	(8,454)	-	(1,248)	9,210	**(492)**
	(7,974)	21,169	(22,368)	8,885	**(288)**
Restricted Fixed Asset Fund					
Transfer on conversion	24,797	-	-	-	**24,797**
DfE capital grants	2,243	2,289	-	-	**4,532**
Capital expenditure from GAG	(1,640)	-	(1,661)	325	**(2,976)**
	25,400	2,289	(1,661)	325	**26,353**
Total restricted funds	**17,426**	23,458	(24,029)	9,210	**26,065**
Unrestricted Fund	**929**	13	(13)	-	**929**
Total funds	**18,355**	**23,471**	**(24,042)**	**9,210**	**26,994**

An explanation of each fund held during the year by the Trust has been included in the Financial Review on page 15, providing descriptions of each fund has arisen and the nature of any restrictions imposed. All material movements in the funds are set out within these Financial Statements, as well as any material transfers between different classes of funds.

Fund balances at 31 August 2023 were allocated as follows:

	2021/22	Movement	2022/23
	£000	£000	£000
Monkwearmouth	30	(85)	**(55)**
North East Futures UTC	(275)	292	**17**
Redby Primary	54	(103)	**(49)**
Ridgeway Primary	594	(56)	**538**
Walker Riverside	766	189	**955**
Central services	(89)	36	**(53)**
Other	53	(53)	**-**
Revenue reserves	**1,133**	**220**	**1,353**
Restricted Fixed Asset Fund	26,353	(1,049)	25,304
Pension Reserve	(492)	492	**-**
Total	**26,994**	**(337)**	**26,657**

Monkwearmouth and Redby and Central services are carrying net deficits as can be seen above. These are minimal and do not pose a notable risk to the Trust. For Monkwearmouth, there has been significant investment and a number of unexpected items during 2022/23 that have pushed the school into a small deficit; this is very likely to be recovered during 2023/24. For Redby, high teacher costs to pupil numbers mean that the school may not always breakeven; this is being managed within the Trust to ensure overall sustainability. The central services reserve is a central fund available to ensure best use of funds; as such, it will fluctuate within acceptable parameters.

Expenditure incurred by each academy during the year was as follows (excluding depreciation):

	2022/23					2021/22
	Teaching and educational support staff costs	**Other support staff costs**	**Educational Supplies**	**Other costs (excluding capital charges)**	**Total**	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Monkwearmouth	3,324	567	443	2,693	7,027	6,335
NEF UTC	1,241	288	142	591	2,262	2,141
Redby	1,170	182	57	501	1,910	1,620
Ridgeway	1,960	458	151	798	3,367	3,051
Walker	5,851	1,003	308	2,117	9,279	8,653
Central	555	656	-	867	2,078	994
Total	**14,101**	**3,154**	**1,101**	**7,567**	**25,923**	**22,794**

15. Analysis of net assets between funds

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	25,003	**25,003**
Current assets	929	3,220	301	**4,450**
Current liabilities	-	(2,796)	-	**(2,796)**
Total net assets 31/08/23	929	424	25,304	**26,657**

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	25,106	**26,106**
Current assets	929	4,087	-	**5,016**
Current liabilities	-	(2,636)	-	**(2,636)**
Pension scheme liability	-	(492)	-	**(492)**
Total net assets 31/08/22	929	959	25,106	**26,994**

16. Reconciliation of net income / (expenditure) to net cash inflow from operating activities

	2022/23	2021/22
	£000	£000
Net income/(expenditure) for the reporting period (as per the *Statement of Financial Activities*)	(1,041)	(571)
Adjusted for:		
Depreciation charges	771	1,661
Capital grants from DfE and other capital income	(1,308)	(2,289)
Defined benefit pension scheme cost less contributions payable	207	1,109
Defined benefit pension scheme finance cost	9	139
(Increase)/decrease in debtors	1,196	(673)
Increase/(decrease) in creditors	161	167
Net cash provided by / (used in) operating activities	(5)	(457)

17. Cash flows from investing activities

	2022/23	2021/22
	£000	£000
Acquisitions of tangible fixed assets	(673)	(1,367)
Capital grants from DfE	1,308	2,289
Net cash provided by / (used in) investing activities	635	922

18. Analysis of cash and cash equivalents

	2022/23	2021/22
	£000	£000
Cash in hand and at bank	3,117	2,487
Total cash and cash equivalents	3,117	2,487

19. Analysis of changes in net debt

	2021/22	Cash flows	2022/23
	£000	**£000**	**£000**
Cash in hand and at bank	2,487	630	3,117
Total cash and cash equivalents	2,487	630	3,117

20. Members' liability

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

21. Pension and similar obligations

The Academy'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 Tyne and Wear Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £306,987 were payable to the scheme at 31 August 2023 (2021/22: £285,988).

a. Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations (2010) and, from 1 April 2014. Membership is automatic for teachers in Trusts. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% 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; and
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. the assumed nominal rate of return is 4.45%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019.

The employer pension costs paid to TPS in the period amounted to £2,055,620 (2021/22: £2,681,416).

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

Under the definitions set out in FRS102 (Retirement Benefits), the TPS is an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

b. Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £770,728 (2021/22: £690,242), of which employer's contributions totalled £574,789 (2021/22: £520,736) and employees' contributions totalled £195,939 (2021/22: £169,505). The agreed contribution rates for future years are 15.1 per cent for employers and 5.5 and 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on gov.uk.

	2022/23	2021/22
Principal Actuarial Assumptions		
Rate of increase in salaries	4.10%	4.20%
Rate of increase for pensions in payment/inflation	2.60%	2.70%
Pension accounts revaluation rate	2.60%	2.70%
Discount rate for scheme liabilities	5.00%	4.10%
Inflation assumption (CPI)	2.60%	2.70%

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

Retiring today		
Males	21.0	21.8
Females	24.1	25.0
Retiring in 20 years		
Males	22.2	23.5
Females	25.5	26.7

Sensitivity analysis

	£000	£000
Discount rate +0.1%	10,518	11,352
Discount rate -0.1%	10,980	11,982
Mortality assumption: 1-year increase	10,475	11,994
Mortality assumption: 1-year decrease	11,013	11,340
CPI rate +0.1%	10,776	11,725
CPI rate -0.1%	10,712	11,509

The Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	2022/23	2021/22
	£000	£000
Equities	6,233	6,012
Corporate bonds	2,287	2,079
Guaranteed bonds	157	179
Property	1,246	1,240
Multi asset credit	557	492
Other assets	1,416	972
Cash and other liquid assets	206	201
Equity instruments	12,102	11,175
Present value of scheme liabilities		
Debt instruments	(10,744)	(11,667)
Total market value of assets	1,358	(492)
Reduction in the net pension asset to nil	(1,358)	-
	-	(492)

It should be noted that, for reasons of prudence, the £1.358m pension asset has been reduced to nil on the *Balance Sheet* to ensure that the overall value of the Trust is not distorted.

Included in the actuarial gain is the notional surplus not recognised of £1.358m.

The actual return on scheme assets was £335,000 (2022: £49,000).

Amounts recognised in the Statement of Financial Activities

	2022/23	2021/22
	£000	£000
Current service cost	782	1,634
Interest on net defined benefit liability / (asset)	9	139
Pension expense recognised in income and expenditure	**791**	**1,773**

Actuarial (gains)/losses

	2022/23	2021/22
	£000	£000
Asset (gains)/losses arising during the period	135	235
Actuarial (gains)/losses due to changes in financial assumptions	(2,745)	(9,505)
Actuarial (gains)/losses due to changes in demographic assumptions	(126)	(117)
Actuarial (gains)/losses due to liability experience	670	177
Total amount recognised in other recognised (gains)/losses	**(2,066)**	**(9,210)**

Changes in the present value of defined benefit obligation

	2022/23	2021/22
	£000	£000
Opening defined benefit obligation	**11,667**	**19,098**
Current service cost	782	1,634
Interest expense on defined benefit obligation	479	325
Contributions by participants	198	170
Actuarial gains/(losses) due to changes in financial assumptions	(2,745)	(9,505)
Actuarial gains/(losses) due to changes in demographic assumptions	(126)	(117)
Actuarial gains/(losses) due to liability experience	670	177
Net benefits paid out	(181)	(115)
Closing defined benefit obligation	**10,744**	**11,667**

Changes in the fair value of Trust's share of scheme assets

	2022/23	2021/22
	£000	£000
At 1 September	11,175	10,644
Interest income	470	186
Actuarial (gain)/loss - financial	(135)	(235)
Employer contributions	575	525
Employee contributions	198	170
Benefits paid	(181)	(115)
At 31 August	**12,102**	**11,175**

22. Operating leases

At 31 August 2023, the values of the Trust's future minimum lease payments under non-cancellable operating leases were as follows:

	2022/23			2021/22
	Land and buildings*	Other	Total	Total
	£000	£000	£000	£000
Amounts due within one year	662	62	724	719
Amounts due between one and five years	2,647	90	2,737	2,684
Amounts due over five years	5,680	0	5,680	6,333
	8,989	**152**	**9,141**	**9,736**

* Walker Riverside Academy's PFI arrangements

23. Agency arrangements

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ending 31 August 2023, the Trust received £45,024 and disbursed £40,306 from the funds (the Trust has provided additional funding to support the bursaries in addition to the grant); the balance of £10,562 has been carried forward.

Comparatives for the accounting period ending 31 August 2022 are £14,936 received, £9,092 disbursed and £5,844 carried forward.

24. Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's Financial Regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial year:

- **Tyne Coast College: sponsor institution for Tyne Coast Academy Trust**
  The Trust was provided with a number of services, including ICT, finance and management services, at a total cost of £1,052,595 (2021/22: £603,032) by its sponsor institution, with these services being provided at a less than cost basis by Tyne Coast College due to the College not charging the Trust with a contribution towards overheads. Of this balance, £214,895 was owed at the year end. A number of employees are shared with the College, and income of £114,567 was receivable from these arrangements (with £38,197 outstanding at the year-end).

- **Groundwork South Tyneside and Newcastle: a company in which Mr A Watts (a Trustee) is Executive Director**
  The Trust purchased educational services value £14,325 (2021/22: £5,500) from Groundwork South Tyneside and Newcastle. The procurement of these resources was carried out in accordance with the Trust's Financial Regulations; £1,500 was outstanding at the year-end.

- **North East LEP: an organisation which Professor Michael Whitaker (a Trustee) is an advisor**
  The Trust claimed funding from the North East LEP in respect of intern placements to the value of £600 (2021/22: £550); in addition, a debtor of £624 was outstanding at the year-end.

In addition to the above, the Trust employed Mrs J Collier, a close family member of Mr M Collier (Trustee, CEO and Accounting Officer of the Trust). She received remuneration commensurate with that of other employees holding the same position within the Trust and Mr Collier did not partake in the decision-making process regarding their remuneration or performance management.