

**Company registration number 10743632 (England and Wales)**

**TEES VALLEY COLLABORATIVE TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND CONSOLIDATED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

# TEES VALLEY COLLABORATIVE TRUST

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# TEES VALLEY COLLABORATIVE TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

F O'Hare  
I Alexander  
M Hirst  
S Symington  
V E Bailey

### Trustees

J Bailey (CEO)  
V E Bailey  
Dr A Brockbank (Appointed 12 December 2022)  
Dr P D Gavens (Resigned 31 August 2023)  
Dr K Hurst (Chair)  
S E Moyo  
J Privett  
J Spencer-Plews (Resigned 31 August 2023)

### Senior management team

- CEO	J Bailey
- Chief Financial Officer	S Langstaff
- Director of Resources	D Laybourne
- Director of Inclusion	T Keats
- Principal	A Shaffi
- Head Teacher	S Rule
- Co-Head Teacher	E Carr (resigned March 2023)
- Co-Head Teacher	R Campbell (resigned March 2023)
- Head Teacher	T Bennett (appointed June 2023)

### Company registration number

10743632 (England and Wales)

### Principal and registered office

Prior Pursglove & Stockton Sixth Form College  
Guisborough  
TS14 6BU  
United Kingdom

### Academies operated

#### Location

#### Principal

Prior Pursglove and Stockton Sixth Form College	Redcar and Cleveland
Errington Primary School	Redcar and Cleveland
Bishopton PRU	Stockton-on-Tees
Tees Valley Collaborative Enterprises Limited	Redcar and Cleveland

A Shaffi  
S Rule  
T Bennett

### Independent auditor

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

# TEES VALLEY COLLABORATIVE TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Bankers

Lloyds Bank plc  
27 High Street  
Stockton-On-Tees  
TS18 1SG  
United Kingdom

### Solicitors

Browne Jacobson LLP  
Manchester Office  
Spinningfields  
Manchester  
M3 3EB  
United Kingdom

### Internal auditor

Wylie & Bisset LLP  
168 Bath Street  
Glasgow  
G2 4TP

# TEES VALLEY COLLABORATIVE TRUST

## TRUSTEES' REPORT

### ***FOR THE YEAR ENDED 31 AUGUST 2023***

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

The academy trust currently operates one academy for students aged 16-19 across two sites, one primary academy and one pupil referral unit in the North East of England. Its academies have 2,222 students on roll attending its academies in October 2023, in addition to adult and part time learners enrolled at the Guisborough site.

#### **Subsidiary Company**

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

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

##### Constitution

The group 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 group.

The trustees of Tees Valley Collaborative Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

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

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

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

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

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

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

# TEES VALLEY COLLABORATIVE TRUST

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2023*

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#### Organisational structure

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

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

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

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

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

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

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

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

#### Engagement with employees

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

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

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

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

# TEES VALLEY COLLABORATIVE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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In March 2023 the trust agreed its Equality Information and Objectives policy in order to discharge its responsibilities under the Equality Act 2010 and to meet the Public Sector Equality Duty. The trust is committed to promoting equality and diversity for all staff, students and pupils. To comply with the spirit of the law on Equality and Diversity, the trust conducts Equality Impact Assessments on proposed policies, practices and processes to identify whether they will have a positive or negative impact on any protected group(s). The Senior Leadership Team in each of our academies reports on progress against the key issues identified in the scheme to the CEO on a termly basis.

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

#### Engagement with suppliers, customers and others in a business relationship with the group

Due to the centralised finance function engagement with our suppliers is led primarily by the Trust team. The Trust finance team meet regularly with suppliers of key contracts to review performance against KPIs.

Meaningful parental engagement is undertaken on a continuous basis at individual academy level to ensure the voices of our parents, pupils and students are accounted for when agreeing strategic objectives.

#### Related parties and other connected charities and organisations

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

### **Objectives and activities**

#### Objects and aims

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

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

#### Objectives, strategies and activities

The objectives of the trust are summarised below:

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

# TEES VALLEY COLLABORATIVE TRUST

## TRUSTEES' REPORT (CONTINUED)

### ***FOR THE YEAR ENDED 31 AUGUST 2023***

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We are committed to:

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

#### Public benefit

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

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

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



# TEES VALLEY COLLABORATIVE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Strategic report

##### Achievements and performance

Exam grades in summer 2023 were not adjusted in response to the pandemic, unlike the previous year. Therefore nationally, it was expected that GCSE, A Level and BTEC outcomes would broadly be in line with 2019 levels.

##### Prior Pursglove and Stockton Sixth Form College

2022/23 outcomes are broadly in line with 2019 for GCSEs, A levels and BTECs at the College. The A level pass rate is 97.4% against the national average of 97.3%. BTECs and level one and two met or exceeded the national benchmark for achievement rates.

Destination measures for the leavers of 2020 and 2021 have been published in line with data from higher education and employers, depicting learners still in education during 2022/23. 88% of the 2021 cohort from Prior Pursglove and Stockton Sixth Form were still in education or employment compared with the national average of 83%. The college has lower NEETs at 10% (not in education, employment or training) compared with the national average of 13% for this cohort.

##### Errington Primary School

For Errington Primary there was an outstanding performance of 96.2% achieving the expected standard in the Y1 phonics check, up from 78.6% last year. In EYFS 78% achieved a good level of development, up from 58% last year.

KS1 outcomes continue to lag significantly behind pre-Covid figures. These are the children most affected by the pandemic and lockdowns but there is time for them to progress before KS2 assessments and this is a key focus in the school development plan.

The Year 6 SATs performance was amongst the best the school has ever achieved and in the top 40% of primary schools nationally. Targets from last year included improving scores in writing and the combined reading, writing and maths score. Writing improved from 67.6% to 79.2% achieving the expected standard. The combined score went up by 10% to 68.8%. The combined score for disadvantaged pupils significantly improved at 43.8% on last year and is now close to that achieved pre-pandemic in 2019 (46.7%). Strong scores in reading and maths achieved in 2022 were further improved upon and average over 10% above national benchmarks.

Ofsted inspected the school in March 2023 and the school remains to be 'Good'. The report recognises the warm and welcoming environment that Leaders have created for pupils and praises the behaviour of pupils who are 'polite and respectful'. The report details that since the appointment of the current headteacher in September 2021, leaders have focused on improving the quality of the curriculum.

##### Bishopton PRU

At Bishopton PRU pupil outcomes are not published and there is no national comparison data available. It should be borne in mind that relatively small numbers are involved and there can be sharp fluctuations in the ability of the cohort year on year.

Following a year of high staff turnover and difficulty recruiting to specialist teaching positions, we are pleased that the outcomes in summer 2023 are broadly comparable to the previous year. For context, at 27 we had the highest number of Y11 pupils ever, compared to 16 last year. Year 11 pupils tend to be the poorest attenders and the most prone to disengagement due to a long history of trauma and disrupted education. Bishopton failed to fill a vacancy for a Science teacher and latterly utilised a science specialist on supply to support a small cohort one-to-one. 7 out of 27 did not attend their English exam and 5 did not attend Maths compared to 3 out of 16 the previous year. 8 pass grades (4+) were achieved compared to 6 last year.

The curriculum has been broadened for 2023/24 and we should be able to report on vocational achievements including functional skills at this point next year. We seek to avoid any pupil leaving the academy at the end of Y11 without some recognised qualifications.

##### Key performance indicators

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

# TEES VALLEY COLLABORATIVE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Going concern

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

#### Protecting the success of the group

The objects of the Trust are to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing Academies. Members and Trustees of Tees Valley Collaborative Trust always seek to act in a way most likely to promote the success of the Trust, and in doing so have regard to:

- The short and long term consequences of decision making by giving due regard to the Trust's risk management strategy at all times. This includes identifying any relevant risks and corresponding risk management arrangements when decision making.
- The interest of the Trust's employees, which are protected by applying School Teachers' Pay and Conditions, National Joint Council Pay and Conditions, Sixth Form College Teachers' Pay and Conditions and Sixth Form College Support Staff Pay and Conditions, depending on the job role.
- The need to foster relationships with parents, students, pupils and suppliers. The Trust enjoys positive relationships with its stakeholders and continues to engage with the wider community through social media, student/pupil voice and parent surveys.
- The impact of the Trust's operations on the community and environment. The Trust impacts positively on the communities it serves, first and foremost via the educational outcomes for its children. In addition, the Trust provides facilities for community use. The Trust is mindful of its impact on the environment and is exploring ways to reduce its carbon footprint, including upgrading the insulation to reduce energy usage both College sites.
- Maintaining a reputation for high standards of business conduct which is monitored through a system of internal controls which are regularly reviewed through internal audit and overseen by the Finance and Audit Committee.
- The need to act fairly between all members of the Trust by applying policies consistently and performing equality impact assessments for all policy changes.

#### **Financial review**

Income for the year was £16,395,741 (2022: £13,829,143). Expenditure for the year amounted to £15,568,603 (2022: £14,551,568) which included costs from the pension valuation of £298,888 (2022: £834,704). The Trust generated a net surplus before other gains and losses in the year of £827,138 (2022: net loss of £722,425). The trust had a gain on the latest pensions valuation of £2,334,404 (2022: £7,507,841) leading to an increase in net funds of £3,161,542 (2022: £6,785,416). Details of principal funders are included in the funds note (note 22).

#### Reserves policy

The trust Reserves Policy was approved by the Trust Board in December 2021. The trust wishes to continue to accumulate reserves and cash balances in order to develop the estate and provide contingency funds. The trust has funds carried forward of £19,389,042 (2022: £16,227,499) of which £678,852 (2022: £480,307) are unrestricted funds and cash balances of £3,405,130 (2022: £3,434,980). The actual position of reserves (restricted general fund excluding pensions reserve plus unrestricted reserve) amounted to £4,022,800 (2022: £3,422,717).

#### Investment policy

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

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

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

# TEES VALLEY COLLABORATIVE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Principal risks and uncertainties

The trustees have considered the principal risks and uncertainties facing the trust, including; the increased cost to the trust of rising energy prices, a reduction in pupil numbers over time at Errington Primary and disruption to learning during the completion of the new build at Bishopton PRU. The trust has put measures in place to mitigate these risks to an acceptable level.

#### Risk Management

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

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

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

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

This should include consideration of those risks impacting on trustees' responsibilities to ensure the trust's estate is safe, well maintained and complies with relevant regulations.

Throughout the year trustees have considered risks which could impact on their responsibilities to ensure the trust's estate is safe, well maintained and complies with relevant regulations. A full refurbishment and extension building project is taking place at Bishopton PRU and trustees have considered the benefits that will come with additional space and a fully modernised building, whilst ensuring risks associated with the building project are managed.

Condition surveys were commissioned for all other sites during the year and these informed the comprehensive estates management strategy which is now in place to ensure the safety and maintenance of all trust sites for the coming years. Trustees raised questions relating to the presence of RAAC at trust sites. Although visual inspections did not detect RAAC at any trust site and RAAC was not identified during the building conditions survey, a structural engineer has been appointed to carry out further surveys to give assurance that there is no RAAC present in any trust buildings.

#### Fundraising

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

# TEES VALLEY COLLABORATIVE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### Streamlined energy and carbon reporting

	2023 kWh	2022 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	3,239,498	-
	2023 metric tonnes	2022 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	338.00	-
- Fuel consumed for owned transport	6.51	-
	344.51	-
Scope 2 - indirect emissions		
- Electricity purchased	503.00	-
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the group	-	-
Total gross emissions	847.51	-
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	0.38	-

#### Quantification and reporting methodology

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

No information has been presented for year ended 2022 as the group was not required to report this information.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

#### Measures taken to improve energy efficiency

- Roof replacements and enhanced roof insulation at Stockton Sixth Form and Coverdale building at Prior Pursglove
- Live monitoring of energy data
- LED installations across Prior Pursglove, Stockton Sixth Form and Errington Primary School
- New building development at Bishopton Pupil Referral Unit
- Solar feasibility studies
- Tree planting across Prior Pursglove and Stockton Sixth Form
- Beekeeping introduced at Errington Primary school
- EV chargers feasibility studies
- Introduction of mixed recycling and food waste collections
- Joined "Lets go Zero" initiative and become member of "transform your world" UK Schools Sustainability Network
- Creation of a 5 year Asset Management Plan

# TEES VALLEY COLLABORATIVE TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Plans for future periods

At its inception the Trust planned to establish an all-through provision including at least one secondary school. Although opportunities to add a secondary school are very limited, we do still plan to develop expertise across all key stages from 1 to 5. Plans are in train to add a secondary provision.

In November 2019 the Trust acquired a day nursery provision through an arm's length subsidiary Tees Valley Collaborative Enterprises Limited.

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

We plan to increase the number of primary schools within the Trust and create a primary hub to share best practice and expertise. One further primary school has opted to convert and join our Trust but we have received feedback that others would need to resolve to join before this application can be progressed.

#### Auditor

In so far as the trustees are aware:

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

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 19/12/2023 and signed on its behalf by:

*J Bailey*

Joanna Bailey 19 Dec 2023 10:27:34 GMT (UTC +0)

J Bailey

CEO



Keith Hurst 19 Dec 2023 09:10:17 GMT (UTC +0)

Dr K Hurst

Chair

# TEES VALLEY COLLABORATIVE TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Scope of responsibility

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

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

#### Governance

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

Trustees	Meetings attended	Out of possible
J Bailey (CEO)	5	5
V E Bailey	4	5
Dr A Brockbank (Appointed 12 December 2022)	4	4
Dr P D Gavens (Resigned 31 August 2023)	4	5
Dr K Hurst (Chair)	4	5
S E Moyo	4	5
J Privett	5	5
J Spencer-Plews (Resigned 31 August 2023)	2	5

#### Conflicts of interest

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

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

#### Governance reviews

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

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

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

# TEES VALLEY COLLABORATIVE TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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

During the year the Finance and Audit Committee has reviewed: the Reports and Financial Statements for Tees Valley Collaborative Trust for the year ended 31 August 2023; regularity audit; external audit and management report, with all recommendations being made to the Board of Trustees for approval.

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

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

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Bailey (CEO)	3	3
V E Bailey	3	3
Dr A Brockbank (Appointed 12 December 2022)	1	2
Dr P D Gavens (Resigned 31 August 2023)	3	3
J Privett	3	3

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

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

Trustees	Meetings attended	Out of possible
J Bailey (CEO)	4	4
Dr K Hurst (Chair)	4	4
S E Moyo	4	4
J Spencer-Plews (Resigned 31 August 2023)	4	4



# TEES VALLEY COLLABORATIVE TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Review of value for money

As accounting officer, the Chief Executive had responsibility for ensuring that the Trust delivered good value in the use of public resources during the period. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the tax payers' resources received.

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

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

Accounting officers should consider demonstrating how they have effectively used relevant funding to ensure the trust's estate is safe, well-maintained, and complies with regulations.

The Accounting Officer has effectively used relevant funding to ensure the trust's estate is safe, well-maintained and complies with regulations. The trust buys in external expert reviews to ensure compliance with health and safety, including fire, regulations. Any recommendations arising are implemented in a timely manner.

A balanced budget is prepared which allocates sufficient funds to premises running and maintenance costs at each trust site. Funds are allocated in accordance with items identified as priorities in the estates management strategy, alongside routine maintenance costs and bought-in service level agreements to ensure compliance with relevant regulations.

In autumn 2022 trustees authorised a condition improvement request through the Department for Education which included a significant contribution from trust funds and this was successfully awarded in May 2023. This decision has seen replacement roofs to a significant portion of Stockton Sixth Form College and a section of Prior Pursglove College.

A new path and gate were installed at Errington Primary to ensure safe pedestrian access to the school site.

#### 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 group 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 Tees Valley Collaborative Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

The board of trustees has reviewed the key risks to which the group 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 ongoing process for identifying, evaluating and managing the group's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.



# TEES VALLEY COLLABORATIVE TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and appointed Wylie and Bisset LLP to perform the function during the year. Reviews have taken place throughout the year, with reports presented to the Finance and Audit Committee and the Trust Board.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. The areas reviewed during the year include:

- Governance
- Overall Financial Controls
- Staff Wellbeing
- Student Recruitment
- Follow up of Outstanding Recommendations

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

On a termly basis, the auditor reports to the board of trustees through the audit and risk committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. On an annual basis, the auditor prepares a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

#### Review of effectiveness

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

- the work of the internal auditor;
- the financial management and governance self-assessment process or the school resource management self-assessment tool;
- the work of the executive managers within the group who have responsibility for the development and maintenance of the internal control framework;
- the work of the external auditor
- correspondence from ESFA, eg financial notice to improve/notice to improve (FNtl/Ntl) and 'minded to' letters.

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

Approved by order of the board of trustees on 19/12/2023 ..... and signed on its behalf by:

J Bailey

Joanna Bailey 19 Dec 2023 10:27:34 GMT (UTC +0)

J Bailey  
CEO



Keith Hurst 19 Dec 2023 09:10:17 GMT (UTC +0)

Dr K Hurst  
Chair

# TEES VALLEY COLLABORATIVE TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023

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As accounting officer of Tees Valley Collaborative Trust, I have considered my responsibility to notify the group board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the group 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 group's board of trustees are able to identify any material irregular or improper use of funds by the group, or material non-compliance with the terms and conditions of funding under the group'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 ESFA.

*J Bailey*

Joanna Bailey 19 Dec 2023 10:27:34 GMT (UTC +0)

J Bailey

**Accounting Officer**

19 December 2023  
.....

# TEES VALLEY COLLABORATIVE TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2023

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The trustees (who are also the directors of Tees Valley Collaborative Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2022 to 2023 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on ..... and signed on its behalf by:

*J Bailey*

Joanna Bailey 19 Dec 2023 10:27:34 GMT (UTC +0)

**J Bailey**  
**CEO**



Keith Hurst 19 Dec 2023 09:10:17 GMT (UTC +0)

**Dr K Hurst**  
**Chair**

# TEES VALLEY COLLABORATIVE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEES VALLEY COLLABORATIVE TRUST

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### Opinion

We have audited the accounts of Tees Valley Collaborative Trust (the 'charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the balance sheet, the consolidated statement of cash flows and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the group and charitable company's affairs as 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 the 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 accounts' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

We draw your attention to the key judgements made in relation to the accounting treatment and assumptions regarding the Local Government Pension Scheme ('LGPS'). The key judgements are disclosed in note 2 and the pension note includes the relevant pension scheme disclosures. It should be noted that for sector-wide comparability users of these financial statements should take into consideration differing sector judgements relating to asset ceiling calculations, where appropriate. Our Auditor's Report is unmodified in this respect.

### 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 group'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.

# TEES VALLEY COLLABORATIVE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEES VALLEY COLLABORATIVE TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the 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 accounts themselves. 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 accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

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

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

# TEES VALLEY COLLABORATIVE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEES VALLEY COLLABORATIVE TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

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

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

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

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

# TEES VALLEY COLLABORATIVE TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEES VALLEY COLLABORATIVE TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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

### **Use of our report**

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

**Brian Laidlaw BA CA (Senior Statutory Auditor)**  
**for and on behalf of Azets Audit Services**

*Azets Audit Services*

Brian Laidlaw 19 Dec 2023 18:23:53 GMT (UTC +0)

.....

**Chartered Accountants**  
**Statutory Auditor**

Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS  
19 December 2023

# TEES VALLEY COLLABORATIVE TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO TEES VALLEY COLLABORATIVE TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

***FOR THE YEAR ENDED 31 AUGUST 2023***

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In accordance with the terms of our engagement letter dated 30 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tees Valley Collaborative Trust during the period 1 September 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 Tees Valley Collaborative Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Tees Valley Collaborative Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Tees Valley Collaborative Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Tees Valley Collaborative Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Tees Valley Collaborative Trust's funding agreement with the Secretary of State for Education dated 27 October 2017 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 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 group's income and expenditure.



# TEES VALLEY COLLABORATIVE TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2023**

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The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available internal assurance reports;
- Completion of self assessment questionnaire by the Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting our responsibilities;
- Obtained a formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expense claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review of cash payments for unusual transactions;
- Review of purchasing card transactions;
- Review of register of interests;
- Review of related party transactions;
- Review of borrowing arrangements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review of gifts and hospitality on a sample basis to ensure in line with policy; and
- Consideration of governance issues.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.

*Azets Audit Services*

Brian Laidlaw 19 Dec 2023 18:23:53 GMT (UTC +0)

### Reporting Accountant

Azets Audit Services

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Dated: 19 December 2023  
.....

# TEES VALLEY COLLABORATIVE TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	42,715	95,426	1,026,013	1,164,154	28,377
Charitable activities:						
- Funding for educational operations	4	95,536	14,897,949	-	14,993,485	13,583,506
Other trading activities	5	215,605	-	-	215,605	213,844
Investments	6	22,497	-	-	22,497	3,416
<b>Total</b>		<b>376,353</b>	<b>14,993,375</b>	<b>1,026,013</b>	<b>16,395,741</b>	<b>13,829,143</b>
<b>Expenditure on:</b>						
Raising funds	7	171,564	-	-	171,564	149,780
Charitable activities:						
- Educational operations	9	6,245	14,890,621	500,173	15,397,039	14,401,788
<b>Total</b>	<b>7</b>	<b>177,809</b>	<b>14,890,621</b>	<b>500,173</b>	<b>15,568,603</b>	<b>14,551,568</b>
<b>Net income/(expenditure)</b>		<b>198,544</b>	<b>102,754</b>	<b>525,840</b>	<b>827,138</b>	<b>(722,425)</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	24	-	2,334,404	-	2,334,404	7,507,841
<b>Net movement in funds</b>		<b>198,544</b>	<b>2,437,158</b>	<b>525,840</b>	<b>3,161,542</b>	<b>6,785,416</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		480,307	2,065,253	13,681,939	16,227,499	9,442,083
Total funds carried forward		678,851	4,502,411	14,207,779	19,389,041	16,227,499

# TEES VALLEY COLLABORATIVE TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2023**

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		funds £	General £	Fixed asset £	2022 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	500	27,877	28,377
Charitable activities:					
- Funding for educational operations	4	90,742	13,492,764	-	13,583,506
Other trading activities	5	213,844	-	-	213,844
Investments	6	3,416	-	-	3,416
<b>Total</b>		308,002	13,493,264	27,877	13,829,143
<b>Expenditure on:</b>					
Raising funds	7	149,780	-	-	149,780
Charitable activities:					
- Educational operations	9	7,946	13,922,998	470,844	14,401,788
<b>Total</b>	7	157,726	13,922,998	470,844	14,551,568
<b>Net income/(expenditure)</b>		150,276	(429,734)	(442,967)	(722,425)
Transfers between funds	22	-	(266,499)	266,499	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	24	-	7,507,841	-	7,507,841
<b>Net movement in funds</b>		150,276	6,811,608	(176,468)	6,785,416
<b>Reconciliation of funds</b>					
Total funds brought forward		330,031	(4,746,355)	13,858,407	9,442,083
Total funds carried forward		480,307	2,065,253	13,681,939	16,227,499

# TEES VALLEY COLLABORATIVE TRUST

## CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Intangible assets	13		2,702		5,017
Tangible assets	15		14,182,842		13,676,957
			<u>14,185,544</u>		<u>13,681,974</u>
<b>Current assets</b>					
Debtors	17	1,429,686		725,747	
Investments	16	1,000,000		1,000,000	
Cash at bank and in hand		3,405,130		3,434,980	
		<u>5,834,816</u>		<u>5,160,727</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	(1,766,717)		(1,649,621)	
<b>Net current assets</b>			<u>4,068,099</u>		<u>3,511,106</u>
<b>Total assets less current liabilities</b>			18,253,643		17,193,080
Creditors: amounts falling due after more than one year	19	(60,051)		(88,424)	
Provisions for liabilities	21	(368,551)		(451,157)	
<b>Net assets before defined benefit pension scheme asset/(liability)</b>			<u>17,825,041</u>		<u>16,653,499</u>
Defined benefit pension scheme asset/(liability)	24	1,564,000		(426,000)	
<b>Total net assets</b>			<u>19,389,041</u>		<u>16,227,499</u>
<b>Funds of the group:</b>					
<b>Restricted funds</b>	22				
- Fixed asset funds			14,207,779		13,681,939
- Restricted income funds			3,306,963		2,942,410
- Pension reserve			1,195,448		(877,157)
<b>Total restricted funds</b>			<u>18,710,190</u>		<u>15,747,192</u>
<b>Unrestricted income funds</b>	22		<u>678,851</u>		<u>480,307</u>
<b>Total funds</b>			<u>19,389,041</u>		<u>16,227,499</u>

**TEES VALLEY COLLABORATIVE TRUST**

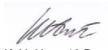
**CONSOLIDATED BALANCE SHEET (CONTINUED)**

**AS AT 31 AUGUST 2023**

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The accounts on pages 24 to 59 were approved by the trustees and authorised for issue on 19/12/2023 and are signed on their behalf by:

*J Bailey*  
Joanna Bailey 19 Dec 2023 10:27:34 GMT (UTC +0)  
.....  
J Bailey  
CEO

  
Keith Hurst 19 Dec 2023 09:10:17 GMT (UTC +0)  
.....  
Dr K Hurst  
Chair

Company registration number 10743632

# TEES VALLEY COLLABORATIVE TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15	14,182,841		13,676,655	
Investments	14		1		1
		14,182,842		13,676,656	
<b>Current assets</b>					
Debtors	17	1,518,390		798,110	
Investments	16	1,000,000		1,000,000	
Cash at bank and in hand		3,370,255		3,405,010	
		5,888,645		5,203,120	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	(1,755,962)		(1,640,035)	
<b>Net current assets</b>		4,132,683		3,563,085	
<b>Total assets less current liabilities</b>		18,315,525		17,239,741	
Creditors: amounts falling due after more than one year	19	(60,051)		(88,424)	
Provisions for liabilities	21	(368,551)		(451,157)	
<b>Net assets excluding pension asset/(liability)</b>		17,886,923		16,700,160	
Defined benefit pension scheme asset/(liability)	24	1,564,000		(426,000)	
<b>Total net assets</b>		19,450,923		16,274,160	
<b>Funds of the group:</b>					
<b>Restricted funds</b>	22				
- Fixed asset funds		14,207,779		13,681,939	
- Restricted income funds		3,306,963		2,942,410	
- Pension reserve		1,195,448		(877,157)	
<b>Total restricted funds</b>		18,710,190		15,747,192	
<b>Unrestricted income funds</b>	22	740,733		526,968	
<b>Total funds</b>		19,450,923		16,274,160	

**TEES VALLEY COLLABORATIVE TRUST**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2023**

The accounts on pages 24 to 59 were approved by the trustees and authorised for issue on 19/12/2023..... and are signed on their behalf by:

*J Bailey*

Joanna Bailey 19 Dec 2023 10:27:34 GMT (UTC +0)

**J Bailey**  
**CEO**



Keith Hurst 19 Dec 2023 09:10:17 GMT (UTC +0)

**Dr K Hurst**  
**Chair**

Company registration number 10743632 (England and Wales)

# TEES VALLEY COLLABORATIVE TRUST

## CONSOLIDATED STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	25		(43,628)		839,721
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		22,497		3,416	
Capital grants from DfE Group		1,026,013		27,877	
Purchase of tangible fixed assets		(1,006,359)		(307,282)	
Purchase of investments		-		(1,000,000)	
<b>Net cash provided by/(used in) investing activities</b>			42,151		(1,275,989)
<b>Cash flows from financing activities</b>					
Repayment of other loan		(28,373)		8,797	
<b>Net cash (used in)/provided by financing activities</b>			(28,373)		8,797
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(29,850)		(427,471)
Cash and cash equivalents at beginning of the year			3,434,980		3,862,451
<b>Cash and cash equivalents at end of the year</b>			3,405,130		3,434,980



# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the group, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

##### 1.2 Going concern

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

##### 1.3 Basis of consolidation

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

The academy trust made a surplus/(deficit) of £3,176,763 (2022 - £6,779,911).

##### 1.4 Associated undertakings

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

##### 1.5 Income

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

##### Grants

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

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

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

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

#### Sponsorship income

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

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 1.6 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the group 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 group's educational operations, including support costs and costs relating to the governance of the group apportioned to charitable activities.

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

#### 1.7 Intangible fixed assets and amortisation

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

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

- Goodwill 5 years

#### 1.8 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	50 years
Leasehold land and buildings	50 years
Computer equipment	3-5 years
Fixtures, fittings & equipment	3-10 years

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

#### 1.9 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 group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

#### 1.10 Provisions

Provisions are recognised when the group 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.

#### 1.11 Leased assets

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

#### 1.12 Investments

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

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

Cash deposits in excess three months represent current, savings and call deposit account balances, which past experience has shown to be stable and of a long term nature.

#### 1.13 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.14 Taxation

The group 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 group 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.

#### 1.15 Pensions benefits

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

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

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

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

#### 1.16 Fund accounting

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

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

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

#### 1.17 Enhanced pension provision

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

#### 1.18 Agency accounting

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

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The group 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.

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact on 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 pensions 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. The UK corporate bond yields at 31 August 2023 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the College and the valuation has been based on the following estimates:

- There is a minimum funding requirement in relation to LGPS
- There is the ability to recover a surplus through the ability to reduce future contributions (not refund)
- In calculating the surplus, the present value of current and past service costs is offset against the future contributions over the future period
- The present values in the above calculations are calculated using an annuity representing participation into perpetuity.

There is no known intention to exit the LGPS and therefore the economic benefit of a refund would be highly unlikely and on that basis recognition of an asset is considered inappropriate. We have however considered the economic benefit available to the Trust as a future contribution reduction and whether it is appropriate to recognise the net asset in full. Under FRS 102, a net asset restriction may apply as the prevailing view is that a minimum funding requirement for future service exists in the LGPS. We requested our actuaries consider the impact of the minimum funding requirement on the asset ceiling and as a result we have restricted the asset based upon an asset restriction calculation. We consider this to be appropriate and a more accurate reflection of the pension positions as at the 31 August 2023.

#### Critical areas of judgement

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

Assessing indicator of impairment.

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

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Private sponsorship	-	78,181	78,181	500
Capital grants	-	1,026,013	1,026,013	27,877
Other donations	42,715	17,245	59,960	-
	<u>42,715</u>	<u>1,121,439</u>	<u>1,164,154</u>	<u>28,377</u>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 4 Funding for the group's educational operations

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	12,156,497	12,156,497	10,599,614
Other DfE/ESFA grants:				
- UIFSM	-	24,956	24,956	22,283
- Pupil premium	-	130,813	130,813	103,598
- PE and sports grants	-	18,356	18,356	37,639
- Others	-	804,062	804,062	1,005,387
	-	13,134,684	13,134,684	11,768,521
<b>Other government grants</b>				
Local authority grants	-	1,728,286	1,728,286	1,641,604
<b>COVID-19 additional funding</b>				
<b>Non-DfE/ESFA</b>				
Other COVID-19 funding	-	34,979	34,979	33,345
<b>Other incoming resources</b>	95,536	-	95,536	140,036
<b>Total funding</b>	95,536	14,897,949	14,993,485	13,583,506

#### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	56,646	-	56,646	58,559
Subsidiary income	158,959	-	158,959	155,285
	215,605	-	215,605	213,844

#### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	22,497	-	22,497	3,416

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2023 £	Total 2022 £
Expenditure on raising funds					
- Direct costs	-	-	171,564	171,564	149,780
Academy's educational operations					
- Direct costs	7,852,372	-	633,244	8,485,616	8,440,241
- Allocated support costs	2,774,012	1,870,038	2,267,373	6,911,423	5,961,547
	<u>10,626,384</u>	<u>1,870,038</u>	<u>3,072,181</u>	<u>15,568,603</u>	<u>14,551,568</u>

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

	2023 £	2022 £
Operating lease rentals	23,392	28,428
Depreciation of tangible fixed assets	500,474	472,652
Amortisation of intangible fixed assets	2,315	2,315
Fees payable to auditor for:		
- Audit	15,000	9,178
- Other services	2,250	1,786
Net interest on defined benefit pension liability	<u>38,888</u>	<u>133,269</u>

### 8 Central services

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

- Finance;
- IT services;
- Payroll; and
- Human resources.

The group charges for these services on the following basis:

- As a percentage of GAG income: 4%

The amounts charged during the year were as follows:

	2023 £	2022 £
Prior Pursglove and Stockton Sixth Form College	379,428	334,577
Errington Primary School	37,164	37,041
Bishopton PRU	26,000	26,000
Tees Valley Collaborative Enterprises Limited	-	-
	<u>442,592</u>	<u>397,618</u>



# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Direct costs</b>				
Educational operations	-	8,485,616	8,485,616	8,440,241
<b>Support costs</b>				
Educational operations	6,245	6,905,178	6,911,423	5,961,547
	<u>6,245</u>	<u>15,390,794</u>	<u>15,397,039</u>	<u>14,401,788</u>
			<b>2023</b> £	<b>2022</b> £
<b>Analysis of support costs</b>				
Support staff costs			3,012,441	2,828,746
Depreciation and amortisation			502,789	474,967
Technology costs			115,045	146,418
Premises costs			1,367,249	1,029,214
Legal costs			58,394	42,538
Other support costs			1,827,593	1,416,842
Governance costs			27,912	22,822
			<u>6,911,423</u>	<u>5,961,547</u>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	7,415,017	7,068,421
Social security costs	786,541	708,840
Pension costs	1,857,639	2,205,489
Staff costs - employees	10,059,197	9,982,750
Agency staff costs	431,560	496,063
Staff restructuring costs	135,627	7,353
	10,626,384	10,486,166
Staff development and other staff costs	238,429	182,904
Total staff expenditure	10,864,813	10,669,070
Staff restructuring costs comprise:		
Redundancy payments	99,642	6,553
Other restructuring costs	35,985	800
	135,627	7,353

The subsidiary undertaking incurred total staff costs of £159,182 (2022 - £133,007).

#### Severance payments

The group paid 7 severance payments in the year, disclosed in the following bands:

£0 - £25,000 7

#### Staff numbers

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

	2023 Number	2022 Number
Teachers	136	129
Administration and support	140	125
Management	9	10
	285	264

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 10 Staff

(Continued)

#### Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£110,001 - £120,000	1	-
	<u>1</u>	<u>6</u>

#### Key management personnel

The key management personnel of the group comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the group was £705,639 (2022: £607,252).

### 11 Trustees' remuneration and expenses

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

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

Joanna Bailey (CEO and Trustee):

Remuneration: £110,000 - £115,000 (2022 - £105,000 - £110,000)

Employer's pension contributions: £25,000 - £30,000 (2022 - £25,000 - £30,000)

During the year ended 31 August 2023, travel and subsistence expenses totalling £2,502 (2022 - £1,526) were reimbursed or paid directly to 1 Trustees (2022 - 1).

### 12 Trustees' and officers' insurance

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

In accordance with normal commercial practice, the group has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on group business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2023 was £500 (2022: £500). The cost of this insurance is included in the total insurance cost.

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 13 Intangible fixed assets Group

Goodwill  
£

#### Cost

At 1 September 2022 and at 31 August 2023

11,575

#### Amortisation

At 1 September 2022

6,558

Charge for year

2,315

At 31 August 2023

8,873

#### Carrying amount

At 31 August 2023

2,702

At 31 August 2022

5,017

#### Academy trust

The academy trust has no intangible assets

### 14 Fixed asset investments

#### Historical cost:

At 31 August 2023

1

At 31 August 2022

1

#### Holdings of more than 20%

The group holds more than 20% of the share capital of the following undertakings:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Tees Valley Collaborative Enterprises Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activities	Capital and reserves £	Profit/(loss) for the year £
Tees Valley Collaborative Enterprises Limited	The principal activity of the company is provision of nursery services	(61,882)	(15,222)

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 14 Fixed asset investments

(Continued)

For the year ending 31 August 2023 the subsidiary was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### 15 Tangible fixed assets Group

	Land and buildings	Leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2022	13,231,430	1,185,000	626,855	838,391	15,881,676
Additions	759,456	-	143,741	103,162	1,006,359
At 31 August 2023	13,990,886	1,185,000	770,596	941,553	16,888,035
<b>Depreciation</b>					
At 1 September 2022	1,344,059	62,788	427,361	370,511	2,204,719
Charge for the year	257,773	17,949	77,695	147,057	500,474
At 31 August 2023	1,601,832	80,737	505,056	517,568	2,705,193
<b>Net book value</b>					
At 31 August 2023	12,389,054	1,104,263	265,540	423,985	14,182,842
At 31 August 2022	11,887,371	1,122,212	199,494	467,880	13,676,957

### Academy trust

	Land and buildings	Leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2022	13,231,430	1,185,000	626,855	832,966	15,876,251
Additions	759,456	-	143,741	103,162	1,006,359
At 31 August 2023	13,990,886	1,185,000	770,596	936,128	16,882,610
<b>Depreciation</b>					
At 1 September 2022	1,344,059	62,788	427,361	365,388	2,199,596
Charge for the year	257,773	17,949	77,695	146,756	500,173
At 31 August 2023	1,601,832	80,737	505,056	512,144	2,699,769
<b>Net book value</b>					
At 31 August 2023	12,389,054	1,104,263	265,540	423,984	14,182,841
At 31 August 2022	11,887,371	1,122,212	199,494	467,578	13,676,957

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 16 Current asset investments

	Group			Academy trust
	2023	2022	2023	2022
	£	£	£	£
Fixed term deposits	1,000,000	1,000,000	1,000,000	1,000,000

### 17 Debtors

	Group			Academy trust
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	160,843	295,130	156,007	292,759
Amounts owed by group undertakings	-	-	93,993	78,328
VAT recoverable	98,936	83,366	98,936	83,366
Other debtors	-	1,110	-	1,110
Prepayments and accrued income	1,169,907	346,141	1,169,454	342,547
	1,429,686	725,747	1,518,390	798,110

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

	Group			Academy trust
	2023	2022	2023	2022
	£	£	£	£
Other loans	28,373	28,373	28,373	28,373
Trade creditors	506,927	712,034	500,221	709,278
Other taxation and social security	182,519	171,841	180,788	170,148
Other creditors	744,276	477,526	743,017	475,461
Accruals and deferred income	304,622	259,847	303,563	256,775
	1,766,717	1,649,621	1,755,962	1,640,035

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

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

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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

	Group		Academy trust	
	2023	2022	2023	2022
	£	£	£	£
Other loans	60,051	88,424	60,051	88,424
	Group		Academy trust	
	2023	2022	2023	2022
	£	£	£	£
<b>Analysis of loans</b>				
Wholly repayable within five years	88,424	116,797	88,424	116,797
Less: included in current liabilities	(28,373)	(28,373)	(28,373)	(28,373)
Amounts included above	60,051	88,424	60,051	88,424
Instalments not due within five years	6,559	10,932	6,559	10,932
<b>Loan maturity</b>				
Debt due in one year or less	28,373	28,373	28,373	28,373
Due in more than one year but not more than two years	28,373	28,373	28,373	28,373
Due in more than two years but not more than five years	25,119	49,119	25,119	49,119
Due in more than five years	6,559	10,932	6,559	10,932
	88,424	116,797	88,424	116,797

### 20 Deferred income Group

	2023	2022
	£	£
Deferred income is included within:		
Creditors due within one year	116,608	55,637
Deferred income at 1 September 2022	55,637	116,223
Released from previous years	(55,637)	(116,223)
Resources deferred in the year	116,608	55,637
<b>Deferred income at 31 August 2023</b>	<b>116,608</b>	<b>55,637</b>

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

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20	Deferred income	(Continued)	
	<b>Academy trust</b>		
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Deferred income is included within:		
	Creditors due within one year	116,608	55,637
		<u></u>	<u></u>
	Deferred income at 1 September 2022	55,637	116,223
	Released from previous years	(55,637)	(116,223)
	Resources deferred in the year	116,608	55,637
		<u></u>	<u></u>
	<b>Deferred income at 31 August 2023</b>	<b>116,608</b>	<b>55,637</b>
		<u></u>	<u></u>

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

21	Provisions for liabilities	Group	Academy trust
		<b>2023</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
	At 1 September 2022	451,157	451,157
	Benefits paid	(37,089)	(37,089)
	Interest costs	14,888	14,888
	Actuarial (gains)/losses	(60,404)	(60,404)
		<u></u>	<u></u>
	At 31 August 2023	368,552	368,552
		<u></u>	<u></u>

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

The principal assumptions for this calculation are:

Principal actuarial assumptions	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	5.00	3.30
Rate of increase for pensions in payment/inflation	2.80	2.90
	<u></u>	<u></u>



# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 22 Funds Group

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,921,410	12,156,497	(11,791,944)	-	3,285,963
UIFSM	-	24,956	(24,956)	-	-
Pupil premium	-	130,813	(130,813)	-	-
Other Coronavirus funding	-	34,979	(34,979)	-	-
Other DfE/ESFA grants	12,000	822,418	(822,418)	-	12,000
Other government grants	9,000	1,728,286	(1,728,286)	-	9,000
Other restricted funds	-	95,426	(95,426)	-	-
Pension reserve	(877,157)	-	(261,799)	2,334,404	1,195,448
	<u>2,065,253</u>	<u>14,993,375</u>	<u>(14,890,621)</u>	<u>2,334,404</u>	<u>4,502,411</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	7,722,864	-	(150,614)	-	7,572,250
DfE group capital grants	5,622,410	1,026,013	(290,413)	-	6,358,010
Capital expenditure from GAG	336,665	-	(59,146)	-	277,519
	<u>13,681,939</u>	<u>1,026,013</u>	<u>(500,173)</u>	<u>-</u>	<u>14,207,779</u>
<b>Total restricted funds</b>	<u>15,747,192</u>	<u>16,019,388</u>	<u>(15,390,794)</u>	<u>2,334,404</u>	<u>18,710,190</u>
<b>Unrestricted funds</b>					
General funds	526,968	208,394	5,372	-	740,734
Subsidiary	(46,661)	167,959	(183,181)	-	(61,883)
	<u>480,307</u>	<u>376,353</u>	<u>(177,809)</u>	<u>-</u>	<u>678,851</u>
<b>Total funds</b>	<u>16,227,499</u>	<u>16,395,741</u>	<u>(15,568,603)</u>	<u>2,334,404</u>	<u>19,389,041</u>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 22 Funds

(Continued)

#### Academy trust

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,921,410	12,156,497	(11,791,944)	-	3,285,963
UIFSM	-	24,956	(24,956)	-	-
Pupil premium	-	130,813	(130,813)	-	-
Other Coronavirus funding	-	34,979	(34,979)	-	-
Other DfE/ESFA grants	12,000	822,418	(822,418)	-	12,000
Other government grants	9,000	1,728,286	(1,728,286)	-	9,000
Other restricted funds	-	95,426	(95,426)	-	-
Pension reserve	(877,157)	-	(261,799)	2,334,404	1,195,448
	<u>2,065,253</u>	<u>14,993,375</u>	<u>(14,890,621)</u>	<u>2,334,404</u>	<u>4,502,411</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	7,722,864	-	(150,614)	-	7,572,250
DfE group capital grants	5,622,410	1,026,013	(290,413)	-	6,358,010
Capital expenditure from GAG	336,665	-	(59,146)	-	277,519
	<u>13,681,939</u>	<u>1,026,013</u>	<u>(500,173)</u>	<u>-</u>	<u>14,207,779</u>
<b>Total restricted funds</b>	<u>15,747,192</u>	<u>16,019,388</u>	<u>(15,390,794)</u>	<u>2,334,404</u>	<u>18,710,190</u>
<b>Unrestricted funds</b>					
General funds	<u>526,968</u>	<u>217,394</u>	<u>(3,629)</u>	<u>-</u>	<u>740,733</u>
<b>Total funds</b>	<u>16,274,160</u>	<u>16,236,782</u>	<u>(15,394,423)</u>	<u>2,334,404</u>	<u>19,450,923</u>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 22 Funds

(Continued)

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

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

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

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

Other government grants comprise funding received from the Local Authority.

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

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

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

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

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

The group is not subject to GAG carried forward limits.

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 22 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,782,939	10,599,614	(10,194,644)	(266,499)	2,921,410
UIFSM	-	22,283	(22,283)	-	-
Pupil premium	-	103,598	(103,598)	-	-
Other Coronavirus funding	-	33,345	(33,345)	-	-
Other DfE/ESFA grants	12,000	1,043,026	(1,043,026)	-	12,000
Other government grants	9,000	1,641,604	(1,641,604)	-	9,000
Other restricted funds	-	49,794	(49,794)	-	-
Pension reserve	(7,550,294)	-	(834,704)	7,507,841	(877,157)
	<u>(4,746,355)</u>	<u>13,493,264</u>	<u>(13,922,998)</u>	<u>7,241,342</u>	<u>2,065,253</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	8,112,746	-	(151,202)	(238,680)	7,722,864
DfE group capital grants	5,472,305	27,877	(260,239)	382,467	5,622,410
Capital expenditure from GAG	273,356	-	(59,403)	122,712	336,665
	<u>13,858,407</u>	<u>27,877</u>	<u>(470,844)</u>	<u>266,499</u>	<u>13,681,939</u>
<b>Total restricted funds</b>	<u>9,112,052</u>	<u>13,521,141</u>	<u>(14,393,842)</u>	<u>7,507,841</u>	<u>15,747,192</u>
<b>Unrestricted funds</b>					
General funds	382,197	143,717	1,054	-	526,968
Subsidiary	(52,166)	164,285	(158,780)	-	(46,661)
	<u>330,031</u>	<u>308,002</u>	<u>(157,726)</u>	<u>-</u>	<u>480,307</u>
<b>Total funds</b>	<u>9,442,083</u>	<u>13,829,143</u>	<u>(14,551,568)</u>	<u>7,507,841</u>	<u>16,227,499</u>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 22 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,782,939	10,599,614	(10,194,644)	(266,499)	2,921,410
UIFSM	-	22,283	(22,283)	-	-
Pupil premium	-	103,598	(103,598)	-	-
Other Coronavirus funding	-	33,345	(33,345)	-	-
Other DfE/ESFA grants	12,000	1,043,026	(1,043,026)	-	12,000
Other government grants	9,000	1,641,604	(1,641,604)	-	9,000
Other restricted funds	-	49,794	(49,794)	-	-
Pension reserve	(7,550,294)	-	(834,704)	7,507,841	(877,157)
	<u>(4,746,355)</u>	<u>13,493,264</u>	<u>(13,922,998)</u>	<u>7,241,342</u>	<u>2,065,253</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	8,112,746	-	(151,202)	(238,680)	7,722,864
DfE group capital grants	5,472,305	27,877	(260,239)	382,467	5,622,410
Capital expenditure from GAG	273,356	-	(59,403)	122,712	336,665
	<u>13,858,407</u>	<u>27,877</u>	<u>(470,844)</u>	<u>266,499</u>	<u>13,681,939</u>
<b>Total restricted funds</b>	<u>9,112,052</u>	<u>13,521,141</u>	<u>(14,393,842)</u>	<u>7,507,841</u>	<u>15,747,192</u>
<b>Unrestricted funds</b>					
General funds	<u>382,197</u>	<u>152,717</u>	<u>(7,946)</u>	<u>-</u>	<u>526,968</u>
<b>Total funds</b>	<u>9,494,249</u>	<u>13,673,858</u>	<u>(14,401,788)</u>	<u>7,507,841</u>	<u>16,274,160</u>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 22 Funds

(Continued)

#### Total funds analysis by academy

	2023 £	2022 £
Fund balances at 31 August 2023 were allocated as follows:		
Prior Pursglove and Stockton Sixth Form College	674,000	179,000
Errington Primary School	(34,000)	27,000
Bishopton PRU	137,000	110,000
Tees Valley Collaborative Enterprises Limited	(61,883)	(46,661)
Central services	3,270,697	3,153,378
Total before fixed assets fund and pension reserve	3,985,814	3,422,717
Restricted fixed asset fund	14,207,779	13,681,939
Pension reserve	1,195,448	(877,157)
Total funds	19,389,041	16,227,499

#### Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2023 £	Total 2022 £
Prior Pursglove and Stockton Sixth Form College	5,868,769	1,968,772	2,753,480	518,766	11,109,787	10,012,317
Errington Primary School	745,537	292,078	282,642	64,700	1,384,957	1,245,281
Bishopton PRU	756,017	478,659	181,034	47,796	1,463,506	1,257,398
Tees Valley Collaborative Enterprises Limited	-	-	-	171,564	171,564	147,972
Central services	482,050	12,933	140,169	1,981	637,133	579,242
	7,852,373	2,752,442	3,357,325	804,807	14,766,947	13,242,210

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 23 Analysis of net assets between funds Group

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2023 are represented by:</b>				
Intangible fixed assets	2,702	-	-	2,702
Tangible fixed assets	-	-	14,182,842	14,182,842
Current assets	686,903	5,122,976	24,937	5,834,816
Current liabilities	(10,754)	(1,755,963)	-	(1,766,717)
Non-current liabilities	-	(60,051)	-	(60,051)
Provisions for liabilities	-	(368,551)	-	(368,551)
Pension scheme asset	-	1,564,000	-	1,564,000
<b>Total net assets</b>	<b>678,851</b>	<b>4,502,411</b>	<b>14,207,779</b>	<b>19,389,041</b>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Intangible fixed assets	5,017	-	-	5,017
Tangible fixed assets	302	-	13,676,655	13,676,957
Current assets	484,575	4,670,868	5,284	5,160,727
Current liabilities	(9,587)	(1,640,034)	-	(1,649,621)
Non-current liabilities	-	(88,424)	-	(88,424)
Provisions for liabilities	-	(451,157)	-	(451,157)
Pension scheme liability	-	(426,000)	-	(426,000)
<b>Total net assets</b>	<b>480,307</b>	<b>2,065,253</b>	<b>13,681,939</b>	<b>16,227,499</b>

#### Academy trust

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2023 are represented by:</b>				
Intangible fixed assets	2,702	-	-	2,702
Tangible fixed assets	-	-	14,182,841	14,182,841
Heritage assets	1	-	-	1
Current assets	740,732	5,122,976	24,938	5,888,646
Current liabilities	-	(1,755,963)	-	(1,755,963)
Non-current liabilities	-	(60,051)	-	(60,051)
Provisions for liabilities	-	(368,551)	-	(368,551)
Pension scheme asset	-	1,564,000	-	1,564,000
<b>Total net assets</b>	<b>743,435</b>	<b>4,502,411</b>	<b>14,207,779</b>	<b>19,453,625</b>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 23 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	13,676,655	13,676,655
Fixed asset investments	1	-	-	1
Current assets	526,967	4,670,868	5,284	5,203,119
Current liabilities	-	(1,640,034)	-	(1,640,034)
Non-current liabilities	-	(88,424)	-	(88,424)
Provisions for liabilities	-	(451,157)	-	(451,157)
Pension scheme liability	-	(426,000)	-	(426,000)
<b>Total net assets</b>	<b>526,968</b>	<b>2,065,253</b>	<b>13,681,939</b>	<b>16,274,160</b>

### 24 Pension and similar obligations

The group'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 Middlesbrough Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £182,537 were payable to the schemes at 31 August 2023 (2022: £171,625) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy 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 latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023.



# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 24 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,116,982 (2022: £1,044,801).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.50% for employers and 5.50 - 12.50% 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.

Total contributions made	2023 £	2022 £
Employer's contributions	424,000	354,000
Employees' contributions	149,000	123,000
	<hr/>	<hr/>
Total contributions	573,000	477,000
	<hr/>	<hr/>

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	4.00	4.20
Rate of increase for pensions in payment/inflation	3.00	3.20
Discount rate for scheme liabilities	5.20	4.25
	<hr/>	<hr/>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 24 Pension and similar obligations

(Continued)

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

	2023 Years	2022 Years
Retiring today		
- Males	20.50	21.70
- Females	23.50	23.50
Retiring in 20 years		
- Males	21.30	22.90
- Females	25.30	25.30

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

	2023 £	2022 £
Discount rate + 0.1%	+238,640	+280,940
Discount rate - 0.1%	-238,640	-280,940
Mortality assumption + 1 year	+477,280	+561,880
Mortality assumption - 1 year	-477,280	-561,880
CPI rate + 0.1%	+238,640	+280,940
CPI rate - 0.1%	-238,640	-280,940

#### The group's share of the assets in the scheme

	2023 Fair value £	2022 Fair value £
Equities	9,852,000	9,262,000
Cash and other liquid assets	540,000	1,907,000
Property	3,104,000	2,452,000
Total market value of assets	13,496,000	13,621,000

The actual return on scheme assets was £(315,000) (2022: £783,000).

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

	2023 £	2022 £
Current service cost	646,911	1,055,435
Interest income	(582,000)	(217,000)
Interest cost	620,888	350,269
Total operating charge	685,799	1,188,704

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

<b>24</b>	<b>Pension and similar obligations</b>		<b>(Continued)</b>
	<b>Changes in the present value of defined benefit obligations</b>		<b>2023</b>
			<b>£</b>
	At 1 September 2022		14,047,000
	Current service cost		684,000
	Interest cost		606,000
	Employee contributions		149,000
	Actuarial gain		(3,171,000)
	Benefits paid		(383,000)
	At 31 August 2023		11,932,000
	<b>Changes in the fair value of the group's share of scheme assets</b>		<b>2023</b>
			<b>£</b>
	At 1 September 2022		13,621,000
	Interest income		582,000
	Actuarial loss/(gain)		(897,000)
	Employer contributions		424,000
	Employee contributions		149,000
	Benefits paid		(383,000)
	At 31 August 2023		13,496,000
<b>25</b>	<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Net income/(expenditure) for the reporting period (as per the statement of financial activities)	827,138	(722,425)
	Adjusted for:		
	Capital grants from DfE and other capital income	(1,026,013)	(27,877)
	Investment income receivable	6 (22,497)	(3,416)
	Defined benefit pension costs less contributions payable	24 222,911	701,435
	Defined benefit pension scheme finance cost	24 38,888	133,269
	Depreciation of tangible fixed assets	500,474	472,652
	Amortisation of intangible fixed assets	13 2,315	2,315
	(Increase) in debtors	(703,939)	(98,228)
	Increase in creditors	117,095	381,996
	<b>Net cash (used in)/provided by operating activities</b>	<b>(43,628)</b>	<b>839,721</b>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 26 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	3,434,980	(29,850)	3,405,130
Loans falling due within one year	(28,373)	-	(28,373)
Loans falling due after more than one year	(88,424)	28,373	(60,051)
	<u>3,318,183</u>	<u>(1,477)</u>	<u>3,316,706</u>

### 27 Long-term commitments

#### Group

#### Operating leases

At 31 August 2023 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	24,655	26,973
Amounts due in two and five years	3,274	27,193
	<u>27,929</u>	<u>54,166</u>

#### Academy trust

#### Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	24,655	26,973
Amounts due in two and five years	3,274	27,193
	<u>27,929</u>	<u>54,166</u>

### 28 Capital commitments

#### Group

	2023 £	2022 £
Expenditure contracted for but not provided in the accounts	<u>386,292</u>	<u>-</u>

# TEES VALLEY COLLABORATIVE TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

### 28 Capital commitments

(Continued)

#### Academy trust

	2023 £	2022 £
Expenditure contracted for but not provided in the accounts	386,292	-

### 29 Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

### 30 Members' liability

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

### 31 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £300,477 and disbursed £246,252 from the fund. An amount of £189,202 is carried forward for distribution to students in the period ending 31 August 2023.