

Registration number: 11914646

# TYNE COMMUNITY LEARNING TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 29 March 2019 to 31 August 2020



# **Tyne Community Learning Trust**

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# **Tyne Community Learning Trust**

## **Reference and Administrative Details**

<b>Members</b>	R H Moore (appointed 29 March 2019) P Rickeard (appointed 29 March 2019) J Robinson (appointed 29 March 2019) C Hardman (appointed 29 March 2019) K Brown (appointed 29 March 2019)
<b>Trustees (Directors)</b>	G C S Bruce (appointed 29 March 2019) S Goldberg (appointed 29 March 2019) M M Harris (appointed 29 March 2019) C P Hughes (appointed 2 September 2019) Professor D Leat (appointed 29 March 2019) R H Moore (appointed 29 March 2019) V Orr (appointed 2 September 2019) A M Richardson (appointed 29 March 2019) Reverend Dr H Savage (appointed 17 July 2019) J R Sedgewick (appointed 29 March 2019) J Thompson (appointed 29 March 2019 and resigned 31 March 2019) D Martin (appointed 29 March 2019 and resigned 4 September 2019)
<b>Company Secretary</b>	H Beaton
<b>Senior Management Team</b>	A Witherow, Chief Executive Officer H Beaton, Chief Operating Officer A Moore, Headteacher - Prudhoe Community High School R Oades, Headteacher - Highfield Middle School L Barker, Headteacher - Whittonstall & Broomley First Schools A Hudson, Headteacher - Ovingham CofE & Mickley First Schools K Newton, Headteacher - Prudhoe Castle First School S Gibbon, Headteacher - Wylam First School J Bullock, Headteacher - Ovingham Middle School (appointed 6 April 2020) I Lakey, Headteacher - Ovingham Middle School (resigned 3 April 2020)
<b>Principal and Registered Office</b>	Ovingham Middle School House Ovingham Prudhoe Northumberland NE42 6DE
<b>Company Name</b>	Tyne Community Learning Trust
<b>Company Registration Number</b>	11914646

## **Tyne Community Learning Trust**

### **Reference and Administrative Details (continued)**

<b>Auditors</b>	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
<b>Bankers</b>	Lloyds Bank Plc 54 Fawcett St Sunderland SR1 1SF
<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

# **Tyne Community Learning Trust**

## **Trustees Report for the period from 29 March 2019 to 31 August 2020**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 29 March 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 9 schools in the Prudhoe area of Northumberland, 6 first schools, 2 middle schools and 1 high school. Its academies have a combined pupil capacity of 2269 (Reception to Year 11) and had a roll of 1930 in the 9 schools on the census in October 2019. In addition the Trust has 218 post 16 pupils and approximately 70 nursery pupils. The Trust was incorporated on 29 March 2019 and the 9 schools converted together to become academies on 1 September 2019.

### **Structure, Governance And Management**

#### **Constitution**

The Academy Trust was incorporated on 29 March 2019 and is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Directors of Tyne Community Learning Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Tyne Community Learning Trust.

Details of the Directors who served during the year 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.

#### **Governors Indemnities**

In accordance with normal commercial practice, the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides unlimited cover.

#### **Method of Recruitment and Appointment or Election of Directors**

Recruitment and Appointment of Directors was carried out as set out in the Memorandum and Articles of Association for Tyne Community Learning Trust. The Memorandum of Association allows the following:-

- No fewer than 5 directors appointed under article 50
- Chief Executive Officer
- Co-opted directors

The number of Directors shall not be less than 3 but shall not be subjected to any maximum.

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

The term of office for any Director shall be 4 years or a shorter period if specified at the time of appointment by the person or body appointing. Subject to remaining eligible to be a particular type of directors, any directors may be re-appointed or re-elected.

#### **Policies and Procedures Adopted for the Induction and Training of Directors**

The training and induction provided for new Directors depends upon their existing experience and background. Each governor completed a Skills Audit to determine their level of experience and expertise. Induction is done informally and is tailored to meet the specific needs of the individual governors. Directors and members of Local Governing Bodies (LGB's) have been offered training courses and updates as per the skills set needs of the Board and individual LGB's in addition to specific courses offered by the Local Authority and other bodies.

#### **Organisational structure**

The Directors are responsible for, and oversee, the management and administration of the Trust. The Directors are accountable to external government agencies including the Charity Commission and the Department for Education.

The Board of Directors agreed to set up a Local Governing Body (LGB) for each individual school. The Board delegated to the LGB's responsibility for setting general policy and the day to day management of each school in line with the agreed Scheme of Delegation.

The Board agreed to establish 2 committees and committee terms of reference outlined below

#### **Audit**

The Audit Committee is a Committee of the Board and is authorised to:

- Audit – To review outcomes of audits, of all types, and monitor remedial actions through to completion.
- Risk – To monitor the risk of the organisation and actions taken to manage risk.

#### **Staffing**

To be able to meet quickly to take decisions on critical staffing matters, such as suspension or termination as required by the scheme of delegation.

The leadership structure of each individual school within the MAT is tailored to meet the needs of the specific school in line with overall aims and objectives of the trust and key performance indicators.

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

Key management personnel is defined as those persons of the Trust having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly and including all Trustees. Trustees are not employees of the Trust and receive no remuneration for the roles they undertake. The Trust's key management personnel are therefore the Chief Executive, Chief Operating Officer, Head Teacher of each school.

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

Pay and remuneration of key management personnel is determined by a variety of contributory factors, such as, the school group size, ISR, the pay scales for each role e.g. Head teacher, Deputy Head teacher, the level of experience of the staff member. In addition to this, levels of pay may be effected by any nationally agreed pay awards, the ability to recruit key management personnel and retain them in post, which all coincides with the schools appointment and pay policies. All amendments to key management personnel's pay and remuneration is discussed and agreed by the governing body.

#### **Trade union facility time**

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3.8

No employee time was spent on union duties.

#### **Related Parties and Other Connected Charities and Organisations**

The Trust has links with the Diocese of Durham and Newcastle and accesses the Diocesan Education Office. The Trust has no connected organisations but does work with local charities in pursuit of the activities defined by the objects of the Trust.

#### **Engagement with employees (including disabled persons)**

The Senior Team of the Trust meet regularly (the frequency has been increased to weekly meetings (either in person or virtually) to deal with the Covid 19 issues) to discuss matters that affect the Trust and to share best practice and to agree common processes and procedures.

Each school has regular management and staff meetings to share information and to get employee views on school and trust issues. This consultation has been enhanced with the need to discuss the schools response to Covid 19 and to ensure all staff are fully aware of the school risk assessment and what they need to do. We have specific Covid 19 risk assessments for vulnerable and pregnant staff that take account the nature of any disability or health condition. Our risk assessments have also been shared with all relevant trade unions for comment and any concerns raised have been addressed by the schools.

The Trust welcomes applications from people with disabilities. Where an existing employee becomes disabled every effort is made to ensure that employment within the Trust continues. The trust's policy is to provide training, career development and opportunities for promotion that are identical to those for other employees.

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

The Trust has many suppliers and customers who have a business relationship with the Trust. The Trust maintains regular contact with its suppliers and works with them to ensure efficient delivery of goods and services and timely payment by the Trust.

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

Our main customers are pupils and their parents, each school has regular communication with their parents and pupils about all school matters and these have been supplemented with Trust communications to all parents and staff especially with regard to the Trust response to Covid 19.

#### **Objectives and Activities**

##### **Objects and Aims**

The Company's objects ("the Objects") are specifically restricted to the following:

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:
  - i. Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education) and
  - ii. other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.
- b) to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants, subject to any restrictions on the land the Trust occupies.

#### **Objectives, Strategies and Activities**

The Trust has set a number of core values and aims to operate by:

##### **Core Values**

The Trust has the following core values at the heart of everything we do.

- Collaboration
- Innovation
- Resilience
- Respect

Our aims are to:

- Provide a seamless educational experience and pastoral care from nursery to 6th form that enables all learners to achieve their full potential
- Deliver an aspirational curriculum with the child at the centre together with a wealth of extracurricular opportunities to inspire all of our learners
- Ensure a continuity of support for all learners enabling them to overcome any barriers to learning



## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

- Work with parents, carers and communities within the Trust to raise aspirations as well as outcomes for all learners and improve social mobility regardless of their ability or background
- Support each school to maintain and celebrate its individual identity
- Create an exciting learning experience for all members of our learning communities
- Invest in the highest quality of professional development to empower a committed and highly skilled team of specialist staff

For 2020 to 2023 our strategic objectives are to:

1. To deliver the highest standards of education through school collaboration which ensures a broad and balanced curriculum and strong outcomes for all pupil groups regardless of starting points.
2. To ensure the trust is well led and governed to deliver its core strategic functions and operating efficiently, managing risk.
3. To grow the trust to support delivery of the highest standards of education and improve financial health and sustainability.
4. To ensure the trust is operationally effective and achieves improvements in performance over time
5. To maximise the impact of the MAT on our communities whilst minimizing our footprint on the world.

#### **Public Benefit**

The Academy provides educational services to children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the charity Commission. The Academy Trust aims to advance for the public benefit, managing and developing schools, offering a broad curriculum set within an inclusive context. The schools in the Trust also provide opportunities for children, their parents, and the local community that they serve through a range of extra-curricular activities and opportunities. In the case of Church schools within the trust to the benefit of the parish in which they are situated and other parishes that may wish to be involved.

#### **Strategic Report**

##### **Achievements and Performance**

The Board are pleased with the progress made during our first year of operation and in particular how our schools responded to the Covid 19 crisis with all our schools remaining open for the children of key workers and ensuring that children at home had sufficient school work throughout the closure period.

The Board and Local Governing Bodies continue to monitor each schools performance. This is done through the use of data to benchmark academic performance. Documented analysis through school self-evaluation and school improvement planning ensure that rigorous systems and effective target setting promotes achievement and standards across the schools in the Trust. This has been difficult to do this year due to the impact of Covid 19 with the majority of pupils not being in school since March 2020 as SAT's were cancelled in our primary and middle schools and our High School results have been calculated differently this year. We are aware that the schools are new but our management and teachers remain so we will refer to the pre-conversion performance from Ofsted.

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

Covid 19 had an impact on all our schools with the normal school attendance finishing in March 2020. All schools remained open for the children of key workers and our schools reopened in line with national guidance subject to our risk assessments on space requirements. In addition work was provided for pupils to complete at home. Vulnerable pupils were contacted regularly by their school during the summer term. Schools communicated regularly with parents and pupils about the current situation and shared with them the risk assessments for the school reopening.

#### **Broomley First School - Performance Data 2020**

##### **Number of staff (FTE)**

Teachers: 5.4

Support Staff: 4.6

##### **Number of Pupils**

Capacity 150 (Reception to Year 4)

Actual 143

##### **School Context Summary**

The school has pupils from Reception to Year 4.

The school last had an OFSTED inspection in June 2012 where it was rated as OUTSTANDING.

The school benefits from stable staffing with consistently strong outcomes at all levels. The school focuses on the outdoors and Forest School activities.

The school was formerly federated with Whittonstall First School and continues to operate with a single local governing body. The Executive Headteacher and Executive Deputy Headteacher are shared by the 2 schools. Some teaching staff work across the two schools also.

The school was successful in achieving 2 Condition Improvement Fund (CIF) bids for roofing works and new heating to part of the school which will improve the learning environment.

#### **Mickley First School - Performance Data 2020**

##### **Number of staff (FTE)**

Teachers: 4.7

Support Staff: 6.7

##### **Number of Pupils**

Capacity 75 (Reception to Year 4)

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

Actual 92 plus approx 15 nursery places

#### **School Context Summary**

The school has pupils from Nursery to year 4.

A short OFSTED inspection in July 2017 confirmed the GOOD from September 2013 continues to be appropriate. They said it is a warm welcoming school with a distinctly inclusive feel.

The school has a thriving nursery where most pupils move into reception.

The school has an Executive Headteacher who splits his role between Mickley and Ovingham C of E First School. This only started during 2019 and is working well. The school has its own dedicated deputy headteacher and is just starting to share teaching staff, where appropriate.

The school was successful in achieving a CIF bid for roofing works to part of the school which will improve the learning environment.

#### **Ovingham C Of E First School - Performance Data 2020**

##### **Number of staff (FTE)**

Teachers: 4.4

Support Staff: 5

##### **Number of Pupils**

Capacity 150(Reception to Year 4)

Actual 137

#### **School Context Summary**

The school has pupils from reception to year 4.

The OFSTED inspection in June 2012 graded the school as OUTSTANDING. This was confirmed in the Statutory Inspection of Anglican and Methodist Schools (SIAMS) inspection in September 2017 which focuses on the schools Christian vision and how this enables pupils to flourish, they said it is a traditional school near the heart of the village.

The school is adjacent to Ovingham Middle School with large grounds and a wide range of opportunities to allow pupils to grow academically and spiritually.

The school has an Executive Headteacher who splits his role between Mickley and Ovingham C of E First School. This only started during 2019 and is working well. The school has its own dedicated Deputy Headteacher and is just starting to share teaching staff, where appropriate.

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

#### **Prudhoe Castle First School - Performance Data 2020**

##### **Number of staff (FTE)**

Teachers: 3.2

Support Staff: 4.4

##### **Number of Pupils**

Capacity 150(Reception to Year 4)

Actual 64 plus approximately 17 nursery places

##### **School Context Summary**

The school has pupils from nursery to year 4.

The school had a full OFSTED inspection in May 2019 which rated the school as GOOD. The report said that pupils benefit greatly from the caring and family ethos in all aspects of school life and enjoy being at the school.

The school has a nursery where most pupils move into reception.

The school has a Headteacher but no Deputy Headteacher due to the small size of the school

The school was successful in achieving a CIF bid for replacing the heating, which along with the roof which Northumberland County Council replaced in 2020 as part of the conversion agreement, will improve the learning environment.

#### **Whittonstall First School - Performance Data 2020**

##### **Number of staff (FTE)**

Teachers: 2.8

Support Staff: 2.9

##### **Number of Pupils**

Capacity 70(Reception to Year 4)

Actual 62 plus approximately 12 nursery pupils

##### **School Context Summary**

The school has pupils from nursery to year 4.

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

The school had a short OFSTED inspection in June 2019 which continued to rate the school as GOOD for the second time following a full inspection in February 2012. The report says it is recommended the next inspection is a full one as the school continues to improve. The report also said there is a strong culture of learning and behaviour in pupils and strong levels of professionalism in staff.

The school has a nursery where most pupils then move into reception.

The school was formerly federated with Broomley First School and continues to operate with a single local governing body. The Executive Headteacher and Executive Deputy Headteacher are shared by the 2 schools. Some teaching staff work across the two schools also.

#### **Wylam First School - Performance Data 2020**

##### **Number of staff (FTE)**

Teachers: 6.6

Support Staff: 5.5

##### **Number of Pupils**

Capacity 150(Reception to Year 4)

Actual 128 plus approximately 23 nursery pupils

##### **School Context Summary**

The school takes pupils from nursery to year 4.

The school had a full OFSTED inspection in May 2008 which rated the school as OUTSTANDING.

The school is at the heart of village life with excellent links to the local community

The school has a nursery where most pupils move into reception.

The school has a Headteacher and an Assistant Headteacher

The school was successful in achieving a CIF bid for heating works which will improve the learning environment along with other improvements the school are making to the nursery.

#### **Highfield Middle School - Performance Data 2020**

##### **Number of staff (FTE)**

Teachers: 21.7

Support Staff: 12.6

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

#### **Number of Pupils**

Capacity 480 (Year 5 to Year 8)

Actual 402

#### **School Context Summary**

The school takes pupils between year 5 to year 8.

A full OFSTED inspection in July 2018 rated the school as GOOD. The report said that the successful vision of school leaders is to knit together 'academic excellence, personal development and well-being' for the benefit of the pupils in their care.

The school has a Headteacher and two Assistant Headteachers

The school has around the national average number of pupils who access free school meals and pupil premium.

#### **Ovingham Middle School - Performance Data 2020**

##### **Number of staff (FTE)**

Teachers: 16.5

Support Staff: 9.3

##### **Number of Pupils**

Capacity 384 (Year 5 to Year 8)

Actual 328

##### **School Context Summary**

The school has pupils between year 5 and year 8.

A short OFSTED inspection in June 2017 confirmed the GOOD rating from the December 2012 full inspection continued to be appropriate. The report said there is a real sense of community and of pupils' support, respect and care for one another.

The school is adjacent to the First School at the edge of the village and benefits from large grounds that allow for many sporting activities.

The school has a Headteacher, who joined the school in June 2020, and a Deputy Headteacher.

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

#### **Prudhoe Community High School - Performance Data 2020**

This is from the teacher assessed data for the public examinations

##### **Key Stage 4**

Number of Pupils	197
Attainment 8	50.91
Progress 8	0.27
% achieving 5+ English/maths	47.7
% entering EBACC	46.7
EBACC average points score	4.51
% returning to 6th form	55

##### **Sixth Form (16-18)**

Number of Students/No of A level students	112/94
Value added	0.23
Average A Level points score per student	368.84
Average points score expressed as a Grade	B

##### **Number of staff (FTE)**

Teachers: 39.6

Support Staff: 17.8

##### **Number of Pupils**

Capacity 660 (Year 9 to Year 11)

Actual 574 plus 218 post 16 pupils

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

#### **School Context Summary**

The school has pupils from year 9 to year 13.

The school had a full OFSTED inspection in September 2017 and the rating was GOOD. The report said the school is at the heart of the community and many local groups use the schools sports facilities out of school time, which are large and of a high standard.

The school is in a new building completed in 2016 and has extensive grounds and a wide range of facilities.

The school has a Headteacher, a Deputy Headteacher and 3 Assistant Headteachers.

#### **Key Performance Indicators**

##### **School Development**

1. All Ofsted judgements are good or better.
2. Progress measures above national averages at KS2 and Progress 8
3. Progress of vulnerable learners is as good as non vulnerable learners
4. Attendance in all schools is at or above the national average.
5. Staff attendance is above national average and turnover of staff compares favourably with benchmarking.
6. Exclusions are lower than national average for all groups.
7. Parental and pupil confidence in the schools is high as measured through evaluations.

##### **Governance and Leadership**

1. Governance at Board and school level rated good or better (Ofsted, external review)
2. The board and governing bodies have a full complement of governors with the right skills.
3. School Leadership is judged good or outstanding by Ofsted.
4. Governance structures are fit for purpose and efficiently monitor the work of schools, communicating with the board.
5. The Trust retains and recruits enough governors to maintain strong governance.

##### **Growth**

1. Trust has a strong influential reputation in the education of pupils in the three tier system.
2. Trust retains 99% of its pupil population at transition.
3. Trust has an improved financial position and a strengthened central team.
4. Trust identifies potential new partners and links are made to develop these further.



## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

#### **Operational Excellence**

1. Full financial compliance through audit.
2. Risk management systems mitigate against financial, reputational and operational risks.
3. Stakeholders report high levels of satisfaction with communication and information systems
4. Costs per pupil compare favourably with other benchmarks.
5. All financial KPIs are met.

#### **Social Responsibility**

1. 90% of staff have confidence in the MAT as an employer.
2. Goods and services are locally sourced where value for money can be evidenced.
3. Carbon footprint reduces each year as shown by energy efficiency ratings.
4. Corporate social responsibility support is given

#### **Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future.

For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### **Promoting the success of the company**

The directors of a company act in a way most likely to promote the success of the company, and in doing so have regard to:

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

This is considered during every meeting of the Board

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

#### **Promoting the success of the company**

The directors ensure they act to promote the success of the company by considering the company strategy and plans to ensure they develop the success of the organisation. Their decisions consider the impact on employees, pupils, parents as well as our suppliers. The Board also consider their corporate social responsibility and are part of a community project to look at energy efficiency in public buildings in the area. Declarations of interest are considered on every agenda to ensure that decision making is in the best interests of the company and not the directors themselves.

#### **Financial Review**

The Board has responsibility for ensuring the sound financial management of the Trust's resources including appropriate planning, monitoring and probity. Key financial policies adopted during the period include the Financial Regulations which lays out the framework for financial management including financial responsibilities of the Board, Chief Executive, Chief Operating Officer, Head teachers and administration staff, including delegated authority of expenditure, fraud and bribery. Other policies adopted include Treasury Management, Risk Management and Business Continuity Policies to ensure rigorous financial systems are in place.

The Trust has commissioned external auditors, MHA Tait Walker, to carry out termly internal assurance tests, including an analysis of risks and recommendations for improvement. This enables the Audit Committee to monitor the adequacy and effectiveness of the Trust's policies and systems of internal control. The recommendations contained in the termly assurance report and recommendations have been consolidated into one action plan.

The majority of the Trusts' income for the period of account is obtained from either the ESFA (Education and Skills Funding Agency) or Local Authorities as commissioners of pupil places, the use of which is restricted to particular purposes. The grants and funding received from these bodies for the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ending 31 August 2020 total expenditure of £12,828,000 (excluding net inherited assets) was less than grant funding from the ESFA and commissioned place income from Local Authorities together with other incoming resources. The surplus of income over expenditure for the period (excluding inherited assets and liabilities, restricted fixed asset funds and before pension transfer) was £877,000.

At 31 August 2020 the net book value of fixed assets was £25,217,000 the assets were used exclusively for providing education and associated support to the pupils in the academies within the Trust.

Under accounting standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted Fund. This resulted in the pension fund showing a deficit of which has been carried forward to 2021. It should be noted that this does not present liquidity problem for the Trust and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future period.

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

#### **Reserves Policy**

The level of reserves is reviewed by the Board. The financial risks have been reviewed in terms of impact and likelihood as part of the strategic risk management process. To manage the cash flow effectively and ensuring long term financial sustainability the Board consider it prudent to hold reserves (excluding fixed asset reserves) of the equivalent of 1 month expenditure per school approximately £1,069,000 in 2019/20. The Board have reviewed the reserve levels of the individual schools as part of their review of management accounts. The Academy are implementing stringent financial controls to achieve the level of reserve outlined in the Reserves Policy, particularly in the schools that currently do not meet the reserves policy. The Board have approved individual school plans to spend the majority of its revenue income each year on the students in its care; but also maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Academy. This will ensure that reserves are held for any changes in pupil led funding and to provide for any unforeseen liabilities.

During the period to 31 August 2020 the Academy held sufficient reserves within the GAG restricted fund, and unrestricted fund to over one month's expenditure in total although this is not the case for all schools in the Trust.

#### **Investment Policy**

The Board of Directors are committed to ensuring that all funds under their control are rigorously administered under a risk adverse investment strategy. The Academy will look to implement an Investment Policy but do not consider the investment of surplus funds as a primary activity at this time, given the low rates of return available.

#### **Principal Risks and Uncertainties**

The Academy Trust has agreed a Risk Management Policy. A Trust Risk Register has been compiled and each risk area has been evaluated. The Trust policy is to adopt best practice in the identification, evaluation and effective control of known risk to ensure they are managed to an acceptable level.

The principle risks and uncertainties facing the Academy are:

The continued impact of the Covid 19 pandemic. The schools carried out major risk assessments that covered all areas of school operation both to manage delivery for key workers and as schools opened to more pupils during the summer term. These took account of national guidance, guidance from the local authority and the input of unions, staff and management. The process was overseen by the Board. This process continues to be developed as the pandemic guidance is updated and is an ongoing process for the Trust. Some of the main changes relate to hygiene, cleaning and how pupils access the school and its facilities.

Financial – the Academy has considerable reliance on continued Government funds through the ESFA. In the period the majority of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that government policy will remain the same or that public funding will continue at the same levels or on the same terms.

The Directors have assessed the other major risks to which the Academy is exposed, in particular those relating to Governance, premises, staffing, resources (inc IT), strategy, academic achievement, quality of learning, leadership and behaviour of pupils. The Trust policy is to adopt best practice in the identification, evaluation and effective control of known risks to ensure they are managed to an acceptable level.

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

The provisions of FRS102 have been applied in full.

Further potential risks may come as numbers fluctuate over time. This could affect the amount of funding available to schools. Although this is not anticipated in the short term, long term issues which could affect pupil numbers could be poor OFSTED outcomes resulting in lack of parental confidence and declining academic performance also resulting in lack of confidence by parents in the school, as well as the demographics of the area the schools serve.

Any future changes to the national funding formula may result in a drop in income, so directors need to remain aware of any potential change to funding structures.

#### **Fundraising**

The Trust does not work with any professional fundraising organisations.

Fundraising is restricted to school events such as non-uniform days, school fairs and school performances where donations are encouraged but not expected and proceeds are either donated to a named charity or accepted into the school funds. The Trust's charging and remissions policy sets out where contributions are requested. There have been no complaints received about any of these activities.

Some of our schools also have PTA's who raise money for their school. The participants are parents of pupils in the school, their family and friends.

The Trust has successfully applied to the ESFA capital fund, the Condition Improvement Fund, to raise capital for building improvement. These grant application activities are carried out by Trust staff supported by buildings professionals where required to support the technical aspect of the bids.

Covid 19 impacted on this area and no fundraising activities were carried out in the schools during the Summer Term, but this was not anticipated to be a major source of funds for any schools in the Trust.

## Tyne Community Learning Trust

### Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)

#### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	2019/20
Energy consumption used to calculate emissions (kWh)	2,671,577
Energy consumption break down (kWh): <ul style="list-style-type: none"><li>• Gas</li><li>• Electricity</li><li>• Oil</li><li>• Transport fuel</li></ul>	1,824,421 781,690 62,100 3,366
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	335.46
Oil	16.63
Total Scope 1	352.09
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	174.43
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	0.94
Total gross emissions in metric tonnes CO2e	527.45
Intensity ratio Tonnes CO2e per pupil	0.25

#### 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 2020 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

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

#### Measures taken to improve energy efficiency

We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites. We have PV panels on some school roofs and are part of a project to look at what other energy efficiency measures we could take.

#### Plans For Future Periods

- Create outward-facing schools which work with other schools and organisations – in a climate of mutual challenge – to champion best practice and secure excellent achievements for all pupils;

## **Tyne Community Learning Trust**

### **Trustees Report for the period from 29 March 2019 to 31 August 2020 (continued)**

- To strengthen partnership within the MAT with a focus on teaching and learning, utilising growing expertise and experience from existing and new schools.
- To maintain financial stability;
- Critically review the financial performance of each school and implement efficiencies where required; and
- To promote economies of scale driving efficiencies through ensuring best value for money when procuring services and resources.

#### **How we aim to achieve our Vision for the future**

- Regular Senior Leadership meetings with the Chief Executive, Headteachers and the Chief Operating Officer;
- Shared PD Days;
- Inter school working groups to look at shared curriculum offers and improving school performance including ensuring successful transition between school stages
- Networking of staff;
- Evidence of impact on systems within schools and outcomes in each school
- Challenge from the Directors of the Trust, associated committees, Local Governing Bodies and external agencies, evident in minutes of meetings.
- Continue to drive economies such as the current creation of trust roles for areas such as governance and SENDco and Early years leadership roles.

#### **Auditor**

Insofar as the trustees are aware:

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

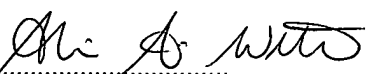
#### **Reappointment of auditor**

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

The , incorporating a Strategic Report, was approved by order of the members of the Governing Body on 03/12/2020 and signed on its behalf by:



R H Moore  
Trustee



A Witherow  
Chief Executive Officer

# Tyne Community Learning Trust

## Governance Statement

### Scope of Responsibility

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

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

### Governance

The information on governance included here supplements that are described in the Directors Report and in the Statement of Directors Responsibilities. The board of directors has formally met 12 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

	Meetings Attended	Out of a possible
Graeme Bruce	10	13
Simon Goldberg	7	13
Mavis Harris	11	13
Christopher Hughes	10	13
David Leat	11	13
Robert Moore	13	13
Victoria Orr	9	13
Andrew Richardson	7	13
Helen Savage	10	13
John Sedgewick	11	13
Dominic Martin (to 4/9/19)	0	1

Meetings from the end of March onwards were online to take account of the pandemic restrictions and ensured that all business continued

Data provided to the board in order to make financial and academic decisions has been strong, timely accurate and efficient. Directors have used their experience to request additional information particularly at one school where there is a serious financial issue which has led to a staffing restructure to reduce costs and a review of local governance of the school.

Going forward, directors recognise challenges presented with small schools in an area where there is little natural growth in pupil numbers.

The Trust operates a small number of committees of the Board as well as the local governing bodies.

## **Tyne Community Learning Trust**

### **Governance Statement (continued)**

#### **Audit Committee**

Attendance at the audit committee was:

	<b>Meetings Attended</b>	<b>Out of a possible</b>
<b>Christopher Hughes</b>	2	2
<b>Joan Louw (Independent Specialist and Chair)</b>	2	2
<b>David Leat</b>	2	2
<b>Victoria Orr</b>	2	2

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review outcomes of audits and monitor remedial actions through to completion, to review the statutory accounts and the information presented and to monitor risk management within the trust.

#### **Staffing Committee**

Attendance at the staffing committee was:

The staffing committee meets when urgent decisions are required relating to staffing in the Trust.

#### **Review of Value for Money**

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

The accounting officer considers how the 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 appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the period by:

- Developing school to school support which uses in house expertise
- Since the formation of the MAT, duplication has been reduced by producing joint policies and procedures. This ensures consistent and efficient processes are in operation from the outset.
- Offering training and challenge across the trust .
- Securing 5 CIF bids to improve premises at four of our first schools
- Reduced photocopying costs at 2 schools as contracts came due by joint procurement and the use of frameworks.
- Working on the curriculum to ensure pupils have had an equivalent offer when moving to the next stage of their education

The MAT has been in operation for one year, we have already begun to maximize the use of resources and have a clear focus on securing best value for money. As contracts have become due for renewal the Trust has looked to achieve efficiency savings by joint procurement and seeking quotes from alternative suppliers



# **Tyne Community Learning Trust**

## **Governance Statement (continued)**

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tyne Community Learning Trust to 31 August 2020 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is reviewed by the Board of Trustees on a half termly basis.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors ;
- regular reviews by the Finance and audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- To appoint MHA Tait Walker, the external auditor to undertake a programme of internal assurance for the period ending 31 August 2020, from 1 September 2020 RSM have been appointed to provide internal assurance for 2020/21.

The internal reviewer'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. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems and procurement procedures
- review of fixed assets register

# Tyne Community Learning Trust

## Governance Statement (continued)

The program of Internal Assurance includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

On a regular basis, MHA Tait Walker reports to the Board of Trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual 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. Items identified as a result of the internal assurance visit have been added to the MAT's finance improvement plan.

### Review of Effectiveness

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

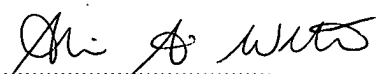
- the results of the internal assurance work undertaken in the period
- the work of the Head teachers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework, in conjunction with AVEC, who provide external financial support.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 03/12/2020 and signed on its behalf by:



R H Moore  
Trustee



A Witherow  
Accounting officer  
Chief Executive Officer

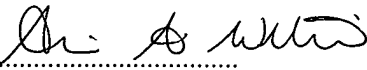
## Tyne Community Learning Trust

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Tyne Community Learning Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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 Governing Body and ESFA.



A Witherow  
Accounting officer

Date: 03/12/2020

## Tyne Community Learning Trust

### Statement of Trustees' Responsibilities

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

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

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

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

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

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

Approved by order of the members of the Board on 03/12/2020 and signed on its behalf by:



R H Moore  
Trustee



A Witherow  
Chief Executive Officer

## **Tyne Community Learning Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Tyne Community Learning Trust**

#### **Opinion**

We have audited the financial statements of Tyne Community Learning Trust (the 'academy trust') for the period from 29 March 2019 to 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2019 to 2020.

#### **Basis for opinion**

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

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information (covers the Reference and Administrative Details, and the Governance Statement)**

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

## **Tyne Community Learning Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Tyne Community Learning Trust (continued)**

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

We have nothing to report in this regard.

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

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

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

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the .

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

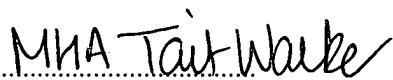
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Tyne Community Learning Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Tyne Community Learning Trust (continued)**

#### **Use of our report**

This report is made solely to the academy trust's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its trustees, 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 MHA Tait Walker  
Chartered Accountants  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 11th December 2020

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

## **Tyne Community Learning Trust**

### **Independent Reporting Accountant's Report on Regularity to Tyne Community Learning Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tyne Community Learning Trust during the period 29 March 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. 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 from 29 March 2019 to 31 August 2020 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 Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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



## **Tyne Community Learning Trust**

### **Independent Reporting Accountant's Report on Regularity to Tyne Community Learning Trust and the Education and Skills Funding Agency (continued)**

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

#### **Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 29 March 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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



MHA Tait Walker  
Chartered Accountants  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 11th December 2020

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

# Tyne Community Learning Trust

## Statement of Financial Activities for the Period from 29 March 2019 to 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	148	-	463	611
Transfer from local authority on conversion		-	(1,920)	25,175	23,255
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	269	11,063	-	11,332
Other trading activities	4	267	-	-	267
Investments	5	1	-	-	1
<b>Total</b>		<b>685</b>	<b>9,143</b>	<b>25,638</b>	<b>35,466</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	186	12,101	541	12,828
Net income/(expenditure)		499	(2,958)	25,097	22,638
Transfers between funds		-	(154)	154	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(1,340)	-	(1,340)
Net movement in funds/(deficit)		499	(4,452)	25,251	21,298
<b>Reconciliation of funds</b>					
Total funds/(deficit) carried forward at 31 August 2020		499	(4,452)	25,251	21,298

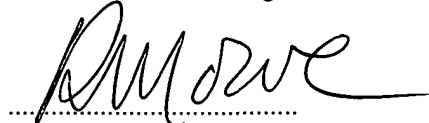
# Tyne Community Learning Trust

(Registration number: 11914646)

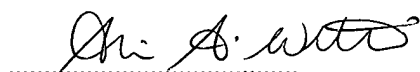
## Balance Sheet as at 31 August 2020

	Note	Period ended 31 August 2020 £ 000
<b>Fixed assets</b>		
Tangible assets	12	25,217
<b>Current assets</b>		
Debtors	13	490
Cash at bank and in hand		<u>2,314</u>
		2,804
Creditors: Amounts falling due within one year	14	<u>(1,785)</u>
Net current assets		<u>1,019</u>
Total assets less current liabilities		26,236
Creditors: Amounts falling due after more than one year	15	<u>(108)</u>
Net assets excluding pension liability		26,128
Pension scheme liability	25	<u>(4,830)</u>
Net assets including pension liability		<u>21,298</u>
<b>Funds of the Academy:</b>		
<b>Restricted funds</b>		
Restricted income fund	16	378
Restricted fixed asset fund	16	25,251
Restricted pension fund	16	<u>(4,830)</u>
		20,799
<b>Unrestricted funds</b>		
Unrestricted income fund	16	<u>499</u>
Total funds		<u>21,298</u>

The financial statements on pages 32 to 64 were approved by the trustees, and authorised for issue on 03/12/2020 and signed on their behalf by:



R H Moore  
Trustee



A Witherow  
Chief Executive Officer

## **Tyne Community Learning Trust**

### **Statement of Cash Flows for the Period from 29 March 2019 to 31 August 2020**

	<b>Note</b>	<b>Period ended 31 August 2020 £ 000</b>
<b>Cash flows from operating activities</b>		
Net cash provided by (used in) operating activities	19	2,276
<b>Cash flows from investing activities</b>	21	(119)
<b>Cash flows from financing activities</b>	20	<u>157</u>
<b>Change in cash and cash equivalents in the period</b>		2,314
<b>Cash and cash equivalents at 29 March</b>		<u>-</u>
<b>Cash and cash equivalents at 31 August</b>	22	<u><u>2,314</u></u>

# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020**

### **1 Accounting policies**

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

#### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2019 to 2020 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.

#### **Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

#### **Going concern**

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

#### **Income**

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

# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

### **1 Accounting policies (continued)**

#### **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

#### **Sponsorship income**

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

#### **Donations**

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

#### **Other income**

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

#### **Investment income**

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

#### **Donated goods, facilities and services**

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

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

# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

### **1 Accounting policies (continued)**

#### **Transfer on conversion**

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

#### **Donated fixed assets**

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

#### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Expenditure on raising funds**

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

#### **Charitable activities**

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

#### **Tangible fixed assets**

# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

### **1 Accounting policies (continued)**

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on either a straight-line or reducing balance basis over its expected useful life, per the table below.

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

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Furniture and equipment	5-10 years straight line
Building additions	20 years straight line
Leasehold buildings	125 years straight line
IT equipment	2-4 years straight line



# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

### **1 Accounting policies (continued)**

#### **Liabilities**

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

#### **Provisions**

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

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

#### **Leased assets**

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

#### **Financial Instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

### **1 Accounting policies (continued)**

#### **Taxation**

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

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

#### **Pension benefits**

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

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

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

# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

### **1 Accounting policies (continued)**

#### **Fund accounting**

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

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

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

#### **Critical accounting estimates and areas of judgement**

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

#### **Critical accounting estimates and assumptions**

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

#### **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### **Depreciation**

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £541,000.

#### **Critical areas of judgement**

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

#### **Assessing indicator of impairment.**

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

# Tyne Community Learning Trust

## Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

### 2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total period ended 31 August 2020 £ 000
<b>Other voluntary income</b>				
Educational trips and visits	104	-	-	104
Capital grants	-	-	463	463
Other donations	44	-	-	44
	<u>148</u>	<u>-</u>	<u>463</u>	<u>611</u>

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total period ended 31 August 2020 £ 000
<b>DfE/ESFA revenue grants</b>				
General Annual Grant GAG	-	9,446	-	9,446
Other ESFA Group grants	-	1,173	-	1,173
	<u>-</u>	<u>10,619</u>	<u>-</u>	<u>10,619</u>
<b>Other government grants</b>				
Other Government grants	-	433	-	433
	<u>-</u>	<u>433</u>	<u>-</u>	<u>433</u>
<b>Exceptional government funding</b>				
Coronavirus exceptional support	-	11	-	11
	<u>-</u>	<u>11</u>	<u>-</u>	<u>11</u>
<b>Non-government grants and other income</b>				
Other income from the academy trusts educational operations	269	-	-	269
	<u>269</u>	<u>11,063</u>	<u>-</u>	<u>11,332</u>
<b>Total grants</b>	<u>269</u>	<u>11,063</u>	<u>-</u>	<u>11,332</u>

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

The funding received for coronavirus exceptional support covers £11,000 of cleaning material costs. These costs are included in notes 7 and 9 below as appropriate.

# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

### **4 Other trading activities**

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total period ended 31 August 2020 £ 000
Hire of facilities	24	-	-	24
Recharges and reimbursements	47	-	-	47
Other sales	196	-	-	196
	<u>267</u>	<u>-</u>	<u>-</u>	<u>267</u>

### **5 Investment income**

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total period ended 31 August 2020 £ 000
Short term deposits	1	-	-	1
	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

### **6 Expenditure**

	Non Pay Expenditure			Total period ended 31 August 2020 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
<b>Academy's educational operations</b>				
Direct costs	8,122	-	650	8,772
Allocated support costs	2,042	1,289	725	4,056
	<u>10,164</u>	<u>1,289</u>	<u>1,375</u>	<u>12,828</u>

### **Net income/(expenditure) for the period includes:**

	2020 £ 000
Operating lease rentals	43
Depreciation	541
Fees payable to auditor - audit	10
Fees payable to auditor - other audit services	14
	<u>608</u>

# Tyne Community Learning Trust

## Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

### 7 Charitable activities

		Period ended 31 August 2020 £ 000
Direct costs - educational operations		8,772
Support costs - educational operations		4,056
		<u>12,828</u>
	Educational operations £ 000	Total period ended 31 August 2020 £ 000
<b>Analysis of support costs</b>		
Support staff costs	2,042	2,042
Depreciation	541	541
Technology costs	241	241
Premises costs	748	748
Other support costs	484	484
Total support costs	<u>4,056</u>	<u>4,056</u>

### 8 Staff

#### Staff costs

	Period ended 31 August 2020 £ 000
<b>Staff costs during the period were:</b>	
Wages and salaries	7,159
Social security costs	645
Operating costs of defined benefit pension schemes	<u>2,162</u>
	9,966
Supply staff costs	121
Staff restructuring costs	<u>77</u>
	<u>10,164</u>

## **Tyne Community Learning Trust**

### **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

#### **8 Staff (continued)**

##### **Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £53,669. Individually, the payments were:

Non-contractual payments £6,074

Non-contractual payments £14,497

Non-contractual payments £26,437

Non-contractual payments £2,000

Non-contractual payments £4,661

##### **Staff numbers**

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

	<b>31 August 2020 No.</b>
<b>Charitable Activities</b>	
Teachers	126
Administration and support	231
Management	9
	<hr/>
	366

##### **Higher paid staff**

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

	<b>31 August 2020 No.</b>
£60,001 - £70,000	4
£70,001 - £80,000	1
£80,001 - £90,000	1
	<hr/>

##### **Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £699,118.

## **Tyne Community Learning Trust**

### **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

#### **9 Central services**

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

- Human resources;
- Financial services;
- Governance services;
- Education and support services; and
- Technology support services

The academy trust charges for these services on the following basis:  
actual central costs split pro rata to grant income between the schools that were part of the Trust for the whole period.

The actual amounts charged during the period were as follows:

	<b>2020</b>
	<b>£ 000</b>
Broomley First School	29
Highfield Middle School	80
Mickley First School	20
Ovingham Church of England First School	28
Ovingham Middle School	64
Prudhoe Community High School	130
Prudhoe Castle First School	16
Wylam First School	33
Whittonstall First School	17
	<hr/>
	417
	<hr/>

#### **10 Related party transactions - trustees' remuneration and expenses**

No trustees have received remuneration or other benefits from employment with the Trust.

During the period ended 31 August 2020, no travel and subsistence expenses were reimbursed.

#### **11 Trustees' and officers' insurance**

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



## Tyne Community Learning Trust

### Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

#### 12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Assets under construction £ 000	Total £ 000
<b>Cost</b>					
Additions	21	40	87	435	583
Inherited assets	24,156	530	489	-	25,175
At 31 August 2020	24,177	570	576	435	25,758
<b>Depreciation</b>					
Charge for the year	178	108	255	-	541
At 31 August 2020	178	108	255	-	541
<b>Net book value</b>					
At 31 August 2020	23,999	462	321	435	25,217

The Academy Trust occupies land, including buildings, which are owned by one of its Members; the Newcastle Diocesan Education Board. The Members are the providers of the academies on the same basis as when they were maintained schools. The Academy Trust therefore occupies the land and buildings under a licence. The continuing permission of the Members is pursuant to, and subject to, the Members' charitable objectives and is part of the Church of England's contribution since 1847 to provide state funded education in partnership with the state. The licence delegates aspects of the management of the land and buildings to the Academy Trust, but does not vest any rights over the land in the Academy Trust. The Members have given an undertaking to the Secretary of State for Education that they will not give the Academy Trust less than two years notice to terminate the occupation of the land and buildings. Having therefore considered the basis of which the Academy Trust is occupying the land and buildings the Trustees have concluded that the value of these land and buildings will not be recognised on the Academy Trust's balance sheet.

#### 13 Debtors

	31 August 2020 £ 000
Trade debtors	8
VAT recoverable	128
Other debtors	8
Prepayments	39
Accrued grant and other income	307
	<u>490</u>

## **Tyne Community Learning Trust**

### **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

#### **14 Creditors: amounts falling due within one year**

	<b>31 August 2020 £ 000</b>
Trade creditors	401
Other taxation and social security	106
ESFA creditor: abatement of GAG	47
Other creditors	523
Accruals	361
Deferred income	218
Pension scheme creditor	129
	<hr/> 1,785 <hr/>
	<b>31 August 2020 £ 000</b>
<b>Deferred income</b>	
Resources deferred in the period	<hr/> 218 <hr/>

The deferred income relates to income received in respect of Universal Infant Free School Meals, rates relief, trip income, catering income and nursery fees.

#### **15 Creditors: amounts falling due after one year**

	<b>31 August 2020 £ 000</b>
Other loans	18
ESFA creditor: abatement of GAG	90
	<hr/> 108 <hr/>

Included within creditors: amounts falling due in more than one year is £17,638 of creditors due in more than five years, repayable by instalments.

Loans of £134,648 from Department of Education which is provided on the following terms: Department of Education loan (Ovingham Middle School) - 3 year loan repayable through GAG in monthly installments of £3,847 from August 2020. No interest is payable on the loan.

Loans of £2,244 from Department of Education which is provided on the following terms: Department of Education loan (Wylam First School) - 3 year loan repayable through GAG in monthly installments of £64 from August 2020. No interest is payable on the loan.

Loans of £17,719 from Salix Finance Limited which is provided on the following terms: Salix Finance Limited loan (Ovingham Middle School) - 5 year loan repayable in semiannual installments of £1,969 from October 2019. No interest is payable on the loan.

# Tyne Community Learning Trust

## Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

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

Loans of £5,786 from Salix Finance Limited which is provided on the following terms: Salix Finance Limited loan (Wylam First School) - 5 year loan repayable in semiannual installments of £964 from November 2018. No interest is payable on the loan.

### 16 Funds

	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
<b>Restricted general funds</b>				
General Annual Grant (GAG)	9,446	(8,914)	(154)	378
Other DfE/ESFA	1,173	(1,173)	-	-
Other Government Grants	432	(432)	-	-
Other Income	1,000	(1,000)	-	-
Coronavirus Exceptional Support	12	(12)	-	-
	<u>12,063</u>	<u>(11,531)</u>	<u>(154)</u>	<u>378</u>
<b>Restricted fixed asset funds</b>				
DfE/ESFA Capital Grants	464	(13)	154	605
Transfer on Conversion	25,174	(528)	-	24,646
	<u>25,638</u>	<u>(541)</u>	<u>154</u>	<u>25,251</u>
<b>Restricted pension funds</b>				
Pension Reserve	(2,920)	(570)	(1,340)	(4,830)
Total restricted funds	<u>34,781</u>	<u>(12,642)</u>	<u>(1,340)</u>	<u>20,799</u>
<b>Unrestricted funds</b>				
Unrestricted	<u>685</u>	<u>(186)</u>	<u>-</u>	<u>499</u>
Total funds	<u>35,466</u>	<u>(12,828)</u>	<u>(1,340)</u>	<u>21,298</u>

## **Tyne Community Learning Trust**

### **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

#### **16 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 31 August 2020.

Other DfE/ESFA grants, Local Authority grants and other income include Pupil Premium, insurance refund, PE grant, sponsorship grants, staff development grant and year 7 catch up grant.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

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

The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

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

## Tyne Community Learning Trust

### Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

#### 16 Funds (continued)

##### Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	Period ended 31 August 2020 £ 000
Broomley First School	(20)
Highfield Middle School	233
Ovingham Middle School	(175)
Wylam First School	(42)
Prudhoe Castle First School	36
Prudhoe Community High School	789
Ovingham Church of England First School	52
Mickley First School	23
Whittonstall First School	(6)
Central Services	(13)
	<hr/>
Total before fixed assets and pension reserve	877
Restricted fixed asset reserve	25,251
Pension reserve	(4,830)
	<hr/>
Total	21,298

Central Services is carrying a net deficit of £13,000 on the funds because:

The deficit is the result of significant financial challenges during the first year of operation.

The trust is taking the following action to return the central fund to surplus:

A plan is now in place to address the deficit which includes in-depth reviews of cost savings and income generation opportunities with close scrutiny of management accounts at Trust level.

## **Tyne Community Learning Trust**

### **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

#### **16 Funds (continued)**

Broomley First School is carrying a net deficit of £20,000 on these funds because:

The deficit is the result of significant financial challenges during the year of it's conversion.

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

A plan is now in place to address the deficit which includes in-depth reviews of cost savings and income generation opportunities with close scrutiny of management accounts at Trust level.

Ovingham Middle School is carrying a net deficit of £175,000 on these funds because:

The deficit is the result of significant financial challenges during the year of it's conversion.

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

A plan is now in place to address the deficit which includes in-depth reviews of cost savings and income generation opportunities with close scrutiny of management accounts at Trust level.

Wylam First School is carrying a net deficit of £42,000 on these funds because:

The deficit is the result of significant financial challenges during the year of it's conversion.

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

A plan is now in place to address the deficit which includes in-depth reviews of cost savings and income generation opportunities with close scrutiny of management accounts at Trust level.

Whittonstall First School is carrying a net deficit of £6,000 on these funds because:

The deficit is the result of significant financial challenges during the year of it's conversion.

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

A plan is now in place to address the deficit which includes in-depth reviews of cost savings and income generation opportunities with close scrutiny of management accounts at Trust level.

# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

### **16 Funds (continued)**

#### **Analysis of academies by cost**

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
Broomley First School	438	99	32	92	661
Highfield Middle School	1,615	216	141	191	2,163
Mickley First School	393	61	24	56	534
Ovingham Church of England First School	397	91	23	77	588
Ovingham Middle School	1,273	216	84	171	1,744
Prudhoe Community High School	2,896	336	283	501	4,016
Prudhoe Castle First School	322	63	13	60	458
Central Services	-	288	1	121	410
Wylam First School	513	105	32	89	739
Whittonstall First School	275	47	17	66	405
Academy Trust	<u>8,122</u>	<u>1,522</u>	<u>650</u>	<u>1,424</u>	<u>11,718</u>

### **17 Analysis of net assets between funds**

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	25,217	25,217
Current assets	527	2,243	34	2,804
Current liabilities	(28)	(1,757)	-	(1,785)
Creditors over 1 year	-	(108)	-	(108)
Pension scheme liability	-	(4,830)	-	(4,830)
Total net assets	<u>499</u>	<u>(4,452)</u>	<u>25,251</u>	<u>21,298</u>

## **Tyne Community Learning Trust**

### **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

#### **18 Commitments under operating leases**

##### **Operating leases**

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>31 August 2020 £ 000</b>
Amounts due within one year	32
Amounts due between one and five years	26
	<u>58</u>

#### **19 Reconciliation of net income to net cash inflow/(outflow) from operating activities**

		<b>Period end31 August 2020 £ 000</b>
Net income		22,638
Depreciation	6	541
Capital grants from DfE and other capital income		(463)
Assets transferred on conversion from Local Authority		(25,175)
Interest receivable	5	(1)
Defined benefit pension scheme obligation inherited	25	2,920
Defined benefit pension scheme cost less contributions payable	25	520
Defined benefit pension scheme finance cost	25	50
Increase in debtors		(490)
Increase in creditors		1,736
Net cash provided by Operating Activities		<u>2,276</u>

#### **20 Cash flows from financing activities**

	<b>Period end31 August 2020 £ 000</b>
Repayments of borrowing	(11)
Cash inflows from new borrowing	168
Net cash provided by financing activities	<u>157</u>



# Tyne Community Learning Trust

## Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

### 21 Cash flows from investing activities

	Period end31 August 2020 £ 000
Dividends, interest and rents from investments	1
Purchase of tangible fixed assets	(583)
Capital funding received from sponsors and others	463
Net cash used in investing activities	<u>(119)</u>

### 22 Analysis of cash and cash equivalents

	31 August 2020 £ 000
Cash at bank and in hand	<u>2,314</u>
Total cash and cash equivalents	<u>2,314</u>

### 23 Analysis of changes in net debt

	Cash flows £000	At 31 August 2020 £000
Cash	2,314	2,314
Loans falling due within one year	(49)	(49)
Loans falling due after more than one year	<u>(108)</u>	<u>(108)</u>
	<u>(157)</u>	<u>(157)</u>
Total	<u>2,157</u>	<u>2,157</u>

### 24 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

## **Tyne Community Learning Trust**

### **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

#### **25 Pension and similar obligations**

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period. Contributions amounting to £129,370 were payable to the schemes at 31 August 2020 and are included within creditors.

#### **Teachers' Pension Scheme**

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

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

#### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,162,305 .

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

## **Tyne Community Learning Trust**

### **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

#### **25 Pension and similar obligations (continued)**

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

#### **Local government pension scheme**

##### **Tyne and Wear Pension Fund**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £550,000, of which employer's contributions totalled £430,000 and employees' contributions totalled £120,000. The agreed contribution rates for future years are 19.5 per cent for employers and 5.5 - 12.5 per cent for employees.

As described in the notes the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

#### **Principal actuarial assumptions**

	<b>31 August 2020</b>
	<b>%</b>
Rate of increase in salaries	3.90
Rate of increase for pensions in payment/inflation	2.40
Discount rate for scheme liabilities	1.60
Inflation assumptions (CPI)	<u>2.40</u>

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

	<b>31 August 2020</b>
<b>Retiring today</b>	
Males retiring today	21.80
Females retiring today	25.00
<b>Retiring in 20 years</b>	
Males retiring in 20 years	23.50
Females retiring in 20 years	<u>26.80</u>

# **Tyne Community Learning Trust**

## **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

### **25 Pension and similar obligations (continued)**

#### **Sensitivity analysis**

	<b>At 31 August 2020 £000</b>
Discount rate +0.1%	9,540
Discount rate -0.1%	9,910
Mortality assumption – 1 year increase	9,370
Mortality assumption – 1 year decrease	10,080
CPI rate +0.1%	9,760
CPI rate -0.1%	<u>9,680</u>

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

	<b>31 August 2020 £ 000</b>
Equities	2,620
Corporate bonds	1,120
Government bonds	120
Property	450
Cash and other liquid assets	90
Other	<u>490</u>
Total market value of assets	<u>4,890</u>

The actual negative return on scheme assets was £40,000.

#### **Amounts recognised in the statement of financial activities**

	<b>Period ended 31 August 2020 £ 000</b>
Current service cost	850
Past service cost	100
Interest income	(80)
Interest cost	<u>130</u>
Total amount recognised in the SOFA	<u>1,000</u>

## **Tyne Community Learning Trust**

### **Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)**

#### **25 Pension and similar obligations (continued)**

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

	<b>Period ended 31 August 2020 £ 000</b>
Conversion of academy trusts	7,330
Current service cost	850
Interest cost	130
Employee contributions	120
Actuarial (gain)/loss	1,220
Benefits paid	(30)
Past service cost	100
	<hr/>
At 31 August	<b>9,720</b>

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

	<b>Period ended 31 August 2020 £ 000</b>
Conversion of academy trusts	4,410
Interest income	80
Actuarial gain/(loss)	(120)
Employer contributions	430
Employee contributions	120
Benefits paid	(30)
	<hr/>
At 31 August	<b>4,890</b>

#### **26 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no related party transactions in the period, other than certain trustees' remuneration and expenses already disclosed in note 10.

## Tyne Community Learning Trust

### Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

#### 27 Conversion to an Academy Trust

On 1 September 2019 Broomley First School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tyne Community Learning Trust from the Northumberland County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	1,182,000	1,182,000
Other tangible fixed assets	-	-	45,000	45,000
On LA funds	-	45,000	-	45,000
LGPS pension surplus/(deficit)	-	(210,000)	-	(210,000)
Net assets	-	(165,000)	1,227,000	1,062,000

The above net assets include £45,000 that were transferred as cash.

On 1 September 2019 Highfield Middle School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tyne Community Learning Trust from the Northumberland County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	2,793,000	2,793,000
Other tangible fixed assets	-	-	123,000	123,000
On LA funds	-	283,000	-	283,000
LGPS pension surplus/(deficit)	-	(531,000)	-	(531,000)
Net assets	-	(248,000)	2,916,000	2,668,000

The above net assets include £283,000 that were transferred as cash.

## Tyne Community Learning Trust

### Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

#### 27 Conversion to an Academy Trust (continued)

On 1 September 2019 Mickley First School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tyne Community Learning Trust from the Northumberland County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	797,000	797,000
Other tangible fixed assets	-	-	54,000	54,000
On LA funds	-	23,000	-	23,000
LGPS pension surplus/(deficit)	-	(220,000)	-	(220,000)
Net assets	-	(197,000)	851,000	654,000

The above net assets include £23,000 that were transferred as cash.

On 1 September 2019 Ovingham Church of England First School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tyne Community Learning Trust from the Northumberland County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	17,000	17,000
Other tangible fixed assets	-	-	40,000	40,000
On LA funds	-	55,000	-	55,000
LGPS pension surplus/(deficit)	-	(210,000)	-	(210,000)
Net liabilities	-	(155,000)	57,000	(98,000)

The above net liabilities include £55,000 that were transferred as cash.

## Tyne Community Learning Trust

### Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

#### 27 Conversion to an Academy Trust (continued)

On 1 September 2019 Ovingham Middle School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tyne Community Learning Trust from the Northumberland County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	2,190,000	2,190,000
Other tangible fixed assets	-	-	41,000	41,000
On LA funds	-	(88,000)	-	(88,000)
LGPS pension surplus/(deficit)	-	(421,000)	-	(421,000)
Net assets	-	(509,000)	2,231,000	1,722,000

The above net assets include (£88,000) that were transferred as cash.

On 1 September 2019 Prudhoe Community High School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tyne Community Learning Trust from the Northumberland County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	14,645,000	14,645,000
Other tangible fixed assets	-	-	621,000	621,000
On LA funds	-	583,000	-	583,000
LGPS pension surplus/(deficit)	-	(189,000)	-	(189,000)
Net assets	-	394,000	15,266,000	15,660,000

The above net assets include £583,000 that were transferred as cash.



## Tyne Community Learning Trust

### Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

#### 27 Conversion to an Academy Trust (continued)

On 1 September 2019 Prudhoe Castle First School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tyne Community Learning Trust from the Northumberland County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	955,000	955,000
Other tangible fixed assets	-	-	30,000	30,000
On LA funds	-	58,000	-	58,000
LGPS pension surplus/(deficit)	-	(716,000)	-	(716,000)
Net assets	-	(658,000)	985,000	327,000

The above net assets include £58,000 that were transferred as cash.

On 1 September 2019 Wylam First School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tyne Community Learning Trust from the Northumberland County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	1,032,000	1,032,000
Other tangible fixed assets	-	-	48,000	48,000
On LA funds	-	(9,000)	-	(9,000)
LGPS pension surplus/(deficit)	-	(301,000)	-	(301,000)
Net assets	-	(310,000)	1,080,000	770,000

The above net assets include (£9,000) that were transferred as cash.

## Tyne Community Learning Trust

### Notes to the Financial Statements for the Period from 29 March 2019 to 31 August 2020 (continued)

#### 27 Conversion to an Academy Trust (continued)

On 1 September 2019 Whittonstall First School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tyne Community Learning Trust from the Northumberland County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	545,000	545,000
Other tangible fixed assets	-	-	17,000	17,000
On LA funds	-	50,000	-	50,000
LGPS pension surplus/(deficit)	-	(122,000)	-	(122,000)
Net assets	-	(72,000)	562,000	490,000

The above net assets include £50,000 that were transferred as cash.