

Company Registration Number: 08270151

TUDHOE LEARNING TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

TUDHOE LEARNING TRUST
(A company limited by guarantee)

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TUDHOE LEARNING TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS/ DIRECTORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

J V Graham
J M Kenny
C Taque (appointed 5 December 2016)

Directors

J H Smith, Chief Executive Officer and Accounting Officer
I Whitfield, Chair
L Moses (resigned 7 April 2017)
M Simpson
A Boustead
D Turner
D Bowes
R Robson (resigned 9 October 2017)
R K Hodge (resigned 26 September 2017)
J Temple (resigned 30 September 2017)

Company registered number

08270151

Company name

Tudhoe Learning Trust

Principal and registered office

Tudhoe Colliery Primary School, Front Street, Tudhoe, Spennymoor, Durham, DL16 6TJ

Company secretary

G Pigott

Chief executive officer

J H Smith

Independent auditors

Waltons Clark Whitehill Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

Bankers

Lloyds TSB Bank plc, 19 Market Place, Durham, DH1 3NL

Solicitors

Bond Dickinson LLP, St Ann's Wharf, 112 Quayside, Newcastle, NE1 3DX

TUDHOE LEARNING TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust includes seven primary schools situated within County Durham providing education for children between reception and Year 6.

Structure, governance and management

• CONSTITUTION

Governance of the Multi Academy Trust (MAT) operates at 3 levels

- 1) Members
- 2) Trustees of the Trust
- 3) Local Governing Bodies

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

The charitable company's Articles of Association is the primary governing document of the academy trust.

The Directors of Tudhoe Learning Trust are also the Trustees of the charitable company for the purpose of company law.

The charitable company is known as Tudhoe Learning Trust.

Details of the Directors who served during the 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.

• METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS

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

The membership of the Board is as follows:

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

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Initially the Board of Directors was made up primarily of governors from Tudhoe Learning Trust and the three chairs of governors from the other schools. When required Members have invited other Directors onto the Board for their specific skills.

● **POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS**

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

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

From September 2017 a governance advisor has been appointed and his remit includes reviewing the local governing bodies to ensure they have the necessary skills to carry out their roles and training will be provided where required.

● **ORGANISATIONAL STRUCTURE**

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

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

From September 2017 the chairs of each local governing body meet termly to discuss and adopt best practice on governance between the schools.

The individual school heads meet half termly to share information and methods of implementation of strategy.

Each individual school has its own local governing body with the remit to run the school according to the principals of the Trust. There is a scheme of delegation which clearly sets out roles and responsibilities within the Trust.

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

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

● **RECRUITMENT/ SELECTION AND EQUAL OPPORTUNITIES**

The Trust has a Recruitment and Selection Policy that takes into account safer recruitment and is fully inclusive. The Policy is mindful of all 9 protected characteristics and ensures that no group is disadvantaged or vulnerable by its practice. The Trust includes Equal Opportunities monitoring forms and requests these are completed as part of each application process.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Trust employs a Human Resource Manager who is fully experienced in managing the full life cycle of the employee. The Trust HR Manager works with a stand-alone attendance management system that is very much welfare based in principle and not linked to the disciplinary policy. Employees with a condition or symptoms arising from a condition that has lasted or is likely to last for a period of 12 months or more that directly impacts on their ability to perform normal day to day activity would fall within the definition of a disability for the purposes of the Equality Act 2010 and the Trust would act to make any and all reasonable adjustment to preserve and protect their employment overseen by the Trust HR Manager. Such adjustments would be entirely circumstance dependant but may include a change in working pattern or hours, an adjustment to duties or place of work. They may include the provision of specialist equipment and the use of professional occupational health services where appropriate or Access to Work and Fit for Work government support schemes.

Communication

Within all Trust schools there would be various meetings held by the Head or deputy head teacher to ensure all staff are communicated with. Each school has its own governing body who have termly meetings. Each Headteacher and Chair of Governors attends the termly Trust Directors meeting. Senior leaders meet to discuss issues and strategies moving forward. Early years staff meet as do middle leaders through our ongoing professional development. SEN staff meet termly to share good practice and to work with the educational psychologist team.

Consultation

Communication takes place locally within each school via staff meetings and then extra meetings are called if there are any specific issues to be discussed or information to be shared.

Performance Share Schemes

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

Economic Factors affecting the Trust

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

Facilities and buildings are old and submission to grant funds such as the Condition Improvement Fund are made where possible to assist with the costs of upkeep. The Trust is aware of risks and is proactive.

● OBJECTS AND AIMS

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

● **OBJECTIVES, STRATEGIES AND ACTIVITIES**

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

- Develop the capacity of staff within the Trust
- Ensure economic efficiencies across the Trust
- Develop business opportunities across the Trust which will include supporting others schools and
- Work strategically with the Department for Education (DfE) and Regional Schools Commissioner.

● **PUBLIC BENEFIT**

The primary purpose of Tudhoe Learning Trust is to provide the highest quality of education to the communities we serve. We see our role within the schools as being integral to the community, in raising aspirations and helping local people strive for a better quality of life.

The Board of Directors have complied with the duty in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission.

TUDHOE LEARNING TRUST
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Strategic Report 2016- 2017

Achievements

Following the previous years success with regards to being one of the highest performing trusts according to the progress our 2016 Year 6 pupils made, 2017 may at first seem like a bit of a disappointing year. However, there have been a number of successes for TLT to be proud of, as we strive to improve the outcomes for our pupils. Across the Trust around 50% of our pupils are classed as being disadvantaged, consequently one of our challenges is to ensure the PP spending is focused upon the greatest need. As the table below shows our pupils compare well nationally as a whole, although Reading at the end of KS2 is a concern across the Trust and one of our main priorities for the forthcoming year.

Tudhoe Learning Trust 2016 - 2017 Attainment																		
	National		ARA		SRP		DHP		SHP		SWANS		TCP		VLA		TLT	
	A+	E	A+	E	A+	E	A+	E	A+	E	A+	E	A+	E	A+	E	A+	E
EYFS GLD	69%				75%		65%		73%		56%		72%		74%		66%	
Y1 Phonics	81%				85%		70%		77%		83%		100%		81%		80%	
Y2 Reading	76%	25%			80%	20%	71%	24%	76%	27%	69%	31%	79%	21%	76%	24%	74%	25%
Y2 Writing	67%	16%			77%	17%	63%	8%	67%	12%	58%	19%	79%	21%	71%	35%	67%	17%
Y2 Maths	75%	21%			83%	23%	71%	21%	73%	21%	61%	25%	82%	28%	76%	35%	73%	24%
Y6 Reading	71%	19%	60%	11%	42%	5%	52%	17%	53%	10%	72%	17%	72%	16%	72%	17%	58%	13%
Y6 Writing	76%	15%	82%	32%	63%	11%	80%	20%	80%	20%	76%	33%	88%	36%	78%	22%	76%	25%
Y6 Maths	75%	17%	61%	8%	32%	0%	65%	28%	77%	6%	78%	9%	88%	24%	84%	11%	67%	12%
Y6 GPS	77%	23%	69%	22%	37%	5%	70%	28%	73%	13%	83%	33%	80%	44%	84%	17%	69%	22%
Y6 Com.	61%	5%	50%	6%	26%	0%	43%	13%	47%	0%	67%	4%	68%	8%	61%	6%	50%	6%

Outcomes at the end of Reception and Year 1 are very close to National from generally low starting points. Year 2 outcomes are also strong again this year compared to National, as is writing at Year 6. Although four of our schools are above National in maths, overall the Trust is 8% below National, with a number of our children narrowly missing out at reaching ARE, due to some weaknesses in their reasoning skills. This is another major Priority for Improvement for 2017 – 2018.

Predictions for 2017 – 2018 are strong as our schools are working to improve teaching and learning, with internal data showing that outcomes for pupils will be up on the previous year and close to National across all age groups, which will demonstrate good progress with regards to their low starting points.

Priorities for Improvement 2017 – 2018

Our aim is always to improve outcomes for pupils and we are strengthening our pupils' reading skills across the Trust, to improve pupils' resilience and confidence so they can interrogate a text accurately. We are also working hard to improve reasoning and problem solving in maths, so that arithmetic can be applied accurately and with confidence. Other priorities are to develop the role of directors and strengthen governance in each academy. We will also be developing our Peer Review system further to ensure that best practice is identified and shared, with any issues addressed swiftly utilising the skills of our team. Other initiatives are to develop the role of a School Improvement Champion and the centralisation of resources in designated Trust offices.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

• **GOING CONCERN**

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

• **FINANCIAL REVIEW**

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

In addition grants are also received for capital expenditure and these grants are shown as restricted income in the fixed asset fund.

Total income was £9,035k and expenditure was £9,570k, giving a deficit of £535k.

The provisions of FRS 102 relating to retirement benefits have been applied resulting in an increase in the pension deficit of £984k. The deficit is now £4,441k.

All the expenditure in the year was in furtherance of the Trust's objectives.

At 31 August 2017 the net book value of fixed assets was £13,015k and the movements in the year are shown in notes 15 & 16. All the assets are used exclusively for providing education and associated support services to the pupils of the Trust.

At 31 August 2017 the Trust held fund balances (excluding the pension deficit) of £13,614k, comprising £13,136k of restricted fixed asset funds, £236k of restricted funds and £241k of unrestricted funds.

• **INVESTMENT POLICY AND PERFORMANCE**

The Trust invests surplus funds in an interest bearing account. The return on the investment is reviewed before the investment is made to ensure there is maximum return, whilst minimising risks to the sum invested. At the year end £195k had been placed on deposit.

• **RESERVES POLICY**

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

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

In 2016/17 Shield Row Primary had a net deficit of £43,889. In the short-term this will be funded through Tudhoe Trust reserves and it is anticipated that Shield Row Primary will be funded through a grant held by the Trust on the schools behalf.

The Trust currently holds unrestricted funds of £241k and General Annual Grant of £125k (see note 21).

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Trust has a pension deficit of £4,441k and there is a 17 year recovery plan in place. The Trust has been making deficit contributions for four years and plans to make future payments out of future income. Reserves will not be used to fund the deficit.

● **PRINCIPAL RISKS AND UNCERTAINTIES**

There is a risk register that is reviewed by the leadership team and the Audit Committee, this is reviewed on an annual basis, the principal risks used to compile and review are:

Physical Assets
Business Continuity
Financial
Technological
Third Party Liability
Environmental
Legal and compliance
Market and sector
Personnel
Political

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

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

● **FUTURE DEVELOPMENTS**

Longer term, we envisage the work of the Trust will involve supporting more schools in their development and improvement. We also intend to improve the fabric of the buildings and learning environment within the Trust.

The Trust will develop capacity and grow to a maximum of 12 schools within 5 years, the Trust will continue to sponsor vulnerable schools ensuring capacity allows and only with one vulnerable school within the Trust at anyone time.

End of Strategic Report

● **PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The Trust management team, including Head Teachers, Deputy Head Teachers and the Director of Finance and Business Development's pay will be determined by the CEO in conjunction with the Audit Committee and is performance related. Trust Directors will determine the pay range for a vacancy prior to advertising it.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

On appointment Directors will determine the starting salary within that range to be offered to the successful candidate.

Trust Directors will seek to ensure that each member of the management team's salary (including the CEO) is reviewed annually with effect from 1st September, reviews may take place at other times of the year to reflect any changes in circumstances or responsibilities that lead to a change in the basis for calculating any individual's pay.

In Trust schools, judgements of performance will be made against the extent to which Head Teachers and Deputy Head Teachers have met their individual objectives and the relevant standards and how they have contributed to pupil progress and the wider contribution to the leadership and direction of the school and the Trust.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

Waltons Clark Whitehill Limited, have indicated their willingness to continue in office. The Designated Directors will propose a motion re-appointing the auditors at a meeting of the Directors.

The Directors' report was approved by order of the Board of Directors, as the company directors, on 8 December 2017 and signed on its behalf by:



I Whitfield
Chair

TUDHOE LEARNING TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the statement of directors' responsibilities. The Board of Directors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
J H Smith, CEO and Accounting Officer	3	3
I Whitfield, Chair	3	3
L Moses (resigned 7 April 2017)	0	2
M Simpson	3	3
A Boustead	3	3
D Turner	3	3
D Bowes	3	3
R Robson (resigned 9 October 2017)	3	3
R K Hodge (resigned 26 September 2017)	3	3
J Temple (resigned 30 September 2017)	3	3

A review of the composition of the current board was undertaken by the strategy and governance working group. This entailed a detailed skills audit of all current directors and expressions of interest were requested from all directors to continue.

The structure of the board is skills based rather than the chairs of local governing bodies automatically securing a directorship.

These changes will be implemented from January 2018.

The board receive a report from the CEO giving aspirations and strategies for growth and improvement. They receive a report from the improvement officer of the main issues within each school. They also receive a finance report and performance data reports which include comparatives against national benchmarks and other schools within the Trust.

This gives the directors an overview of the position of the Trust and the main issues allowing them to make informed decisions.

The Trust top slices 4.6% of income from our schools to fund central expenditure. A review is undertaken on an annual basis to ensure the capacity within the Trust enables us to fulfil our strategic direction.

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GOVERNANCE STATEMENT (continued)

An audit committee has been put in place.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
J H Smith, CEO and Accounting Officer	3	4
I Whitfield	3	4
D Bowes	4	4
D Turner	2	4
M Simpson	4	4

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting 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 Directors where value for money can be improved, including the use of benchmarking data where appropriate.

The Director of Business Finance and Development is a member of various networking groups where value for money is a regular topic. Collaboration in joint purchasing has seen financial savings within the Trust. Sharing of benchmarking data is undertaken within this group and the sharing of best practice has had a positive result to demonstrate value for money.

The Accounting Officer for the Trust has delivered improved value for money during the year by:

A review of IT provision was undertaken within 2016/17 which resulted in a number of companies being asked to tender for the provision of the Trust's IT services. Each company completed a tender questionnaire and were invited to present to a group which represented all schools within the Trust.

Evaluation of the successful bid and the awarding of the tender for commencement in April 2017, the Trust has seen an improvement in services since its implementation.

In September 2016 a review of our external payroll providers was carried out. Alternative providers were asked for proposals and costs and a decision was made to change provision. In April 2017 the Trust changed providers, the transition went very smoothly and has resulted in an improved service at a reduced cost.

Parent pay a cashless system was introduced in 2015/16, we have rolled out this service to include all payments and have seen an uptake in usage, this has resulted in minimal cash being held in schools and reduced the cost for cash collection services with security companies.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tudhoe Learning Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Waltons Clark Whitehill Limited, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- Checking compliance with the changes in the 2016 financial handbook and reviewing governance arrangements
- Testing controls over cash income and use of parent pay
- Testing a sample of purchases for compliance with financial procedures
- Testing controls over payroll

On an annual basis, the auditors report to the Board of Directors through the audit committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

The programme of work was completed as planned and no significant issues were found. Minor improvements to procedures have been suggested to the Directors and will be implemented.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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GOVERNANCE STATEMENT (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Directors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 8 December 2017 and signed on their behalf, by:



I Whitfield
Chair of Trustees



J H Smith
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Tudhoe Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



J H Smith
Accounting Officer

Date: 8 December 2017

TUDHOE LEARNING TRUST
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STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Directors (who act as trustees of Tudhoe Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 Directors 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 Directors 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 of Directors on *8 December 2017* and signed on its behalf by:



I Whitfield
Chair

TUDHOE LEARNING TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TUDHOE LEARNING TRUST**

OPINION

We have audited the financial statements of Tudhoe Learning Trust for the year ended 31 August 2017 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

TUDHOE LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TUDHOE LEARNING TRUST**

OTHER INFORMATION

The Directors 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 information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 Directors' Report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report and the Strategic Report have 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remunerations specified by law 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 directors' responsibilities, the Directors (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

TUDHOE LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
TUDHOE LEARNING TRUST**

In preparing the financial statements, the Directors are responsible for assessing the 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 Directors either intend to liquidate the Trust's 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. The description forms part of our Auditor's report.



Heather O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 8 December 2017

TUDHOE LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TUDHOE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 6 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tudhoe Learning Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Tudhoe Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Tudhoe 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 Tudhoe Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF TUDHOE LEARNING TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Tudhoe Learning Trust's funding agreement with the Secretary of State for Education dated 18 December 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the academy's internal controls and review processes on regularity, supported by detailed tests on a sample of costs, incurred by the academy and specific transactions identified from our review.

TUDHOE LEARNING TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TUDHOE
LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Heather O'Driscoll FCA

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

8 December 2017

TUDHOE LEARNING TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Funds transferred from Local Authority on conversion	2	-	-	-	-	4,988,718
Other donations and capital grants	2	10,213	-	146,267	156,480	577,269
Charitable activities	3	-	8,467,142	-	8,467,142	8,041,756
Other trading activities	4	397,626	12,862	-	410,488	439,749
Investments	5	905	-	-	905	1,659
TOTAL INCOME		408,744	8,480,004	146,267	9,035,015	14,049,151
EXPENDITURE ON:						
Raising funds	7	150,750	-	-	150,750	129,493
Charitable activities	8	129,918	9,078,868	210,243	9,419,029	8,950,889
TOTAL EXPENDITURE	6	280,668	9,078,868	210,243	9,569,779	9,080,382
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	21	128,076	(598,864)	(63,976)	(534,764)	4,968,769
		-	(61,412)	61,412	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		128,076	(660,276)	(2,564)	(534,764)	4,968,769
Actuarial gains/(losses) on defined benefit pension schemes	25	-	1,434,000	-	1,434,000	(2,611,000)
NET MOVEMENT IN FUNDS		128,076	773,724	(2,564)	899,236	2,357,769
RECONCILIATION OF FUNDS:						
Total funds brought forward		113,248	(4,978,338)	13,138,592	8,273,502	5,915,733
TOTAL FUNDS CARRIED FORWARD		241,324	(4,204,614)	13,136,028	9,172,738	8,273,502

The notes on pages 25 to 50 form part of these financial statements.

TUDHOE LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08270151

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Intangible assets	15		1,973		9,857
Tangible assets	16		13,012,889		12,811,874
			<u>13,014,862</u>		<u>12,821,731</u>
CURRENT ASSETS					
Stocks	17	20,033		20,959	
Debtors	18	320,500		474,111	
Cash at bank and in hand		1,067,879		1,318,820	
			<u>1,408,412</u>	<u>1,813,890</u>	
CREDITORS: amounts falling due within one year	19		<u>(805,290)</u>	<u>(928,662)</u>	
NET CURRENT ASSETS			<u>603,122</u>		<u>885,228</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,617,984</u>		<u>13,706,959</u>
CREDITORS: amounts falling due after more than one year	20		<u>(4,246)</u>		<u>(8,457)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>13,613,738</u>		<u>13,698,502</u>
Defined benefit pension scheme liability	25		<u>(4,441,000)</u>		<u>(5,425,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>9,172,738</u>		<u>8,273,502</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	21	236,386		446,662	
Restricted fixed asset funds	21	13,136,028		13,138,592	
Restricted income funds excluding pension liability		13,372,414		13,585,254	
Pension reserve		(4,441,000)		(5,425,000)	
Total restricted income funds			<u>8,931,414</u>		<u>8,160,254</u>
Unrestricted income funds	21		<u>241,324</u>		<u>113,248</u>
TOTAL FUNDS			<u>9,172,738</u>		<u>8,273,502</u>

TUDHOE LEARNING TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 21 to 50 were approved by the Directors, and authorised for issue, on
and are signed on their behalf, by:

8 December
2017



I Whitfield
Chair