

**Company registration number 10561094 (England and Wales)**

**NEAT ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CONSOLIDATED**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

# NEAT ACADEMY TRUST

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# NEAT ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

The Diocesan Board of Education acting corporately by its Director,  
The Right Reverend Mark Wroe  
The Bishop of Newcastle, The Right Reverend Dr Helen-Ann Hartley  
Rev H Gill  
Dr A McNall (appointed 19 October 2022)  
PNH Smith

### Trustees

S Beharall (Resigned 23 November 2023)  
N Brannen  
F Craik  
M Denedo (Appointed 19 October 2022)  
N Iftkhar  
H Khoshtaghaza (Appointed 19 October 2022)  
S Leggetter  
A Lister  
T Martell (Vice Chair)  
A McNall (Chair)  
S Ormerod

### Senior management team

- Chief Executive Officer	D Bailey
- Chief Operating and Financial Officer	C Turvill
- Executive Headteacher	S Gittins
- Headteacher at Benfield School	A Martin
- Co-Headteacher at Central Walker CofE Primary School	D Day
- Co-Headteacher at Central Walker CofE Primary School	F Kerr
- Headteacher at St Hild's CofE School	T Gibson
- Headteacher at Tyneview Primary School	V Sergison
- Headteacher at Walkergate Community School	D Nelson
- Headteacher at West Walker Primary School	N Draper
- Director of Research School	S Stock

### Company secretary

Mr. C Turvill

### Company registration number

10561094 (England and Wales)

### Academies operated

Benfield School  
Central Walker CofE Primary School  
St. Hild's CofE School  
Tyneview Primary School  
Walkergate Community School  
West Walker Primary School  
NEAT Active Limited

### Location

Newcastle Upon Tyne  
Newcastle Upon Tyne  
Hartlepool  
Newcastle Upon Tyne  
Newcastle Upon Tyne  
Newcastle Upon Tyne  
Newcastle Upon Tyne

### Principal

A Martin  
D Day / F Kerr  
T Gibson  
V Sergison  
D Nelson  
N Draper  
Trading subsidiary

# NEAT ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Independent auditor**

Azets Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB  
United Kingdom

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2023

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

The Academy Trust operates four primary and two secondary schools in the north east of England. Its schools have a combined pupil capacity of 3,908 and had a pupil roll of 3,226 at the October 2022 school census.

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

##### Constitution

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

The Trustees of NEAT Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as NEAT Academy Trust, which is often abbreviated to NEAT.

Details of the trustees who served throughout the period are included in the Reference and Administrative Details on pages 1 to 2.

##### Members' liability

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

##### Trustees' indemnities

NEAT Academy Trust has purchased insurance to protect Trustees and Governors from claims arising against negligent acts, errors or omissions occurring whilst on Trust or Academy business.

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

The term of office for any Trustee is four years. Trustees remaining eligible may be re-appointed or re-elected. Trustees are appointed because of their skills and knowledge and how these will complement existing Board members. One Trustee is nominated by the Newcastle Diocesan Education Board as the Church Ethos Director.

Similarly, Trustees appoint Local Governing Committee members for the contribution they can potentially make to the running of the Academies. The term of office for any Local Governing Committee member appointed by the Trustees, parents of the Academy, staff of the Academy or, in Church of England schools, the relevant Diocese is four years. The Academy Headteacher is appointed as a Local Governing Committee member by virtue of their position and any Committee members co-opted by the Local Governing Committee have a term of office of one year.

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

The training and induction provided for new appointees depends on their existing experience. Where necessary training is provided on educational, legal and financial matters. All are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their respective roles. Throughout the year Trustees and Local Governing Committee members are offered trust-wide induction, training and workshops and there are also opportunities for bespoke training to meet specific needs. This is supplemented by briefings from specialist external providers e.g. safeguarding, exclusions, Ofsted inspection. Governance support is provided in-house and there are opportunities for networking and sharing of good practice between individuals involved in different elements of the Trust's governance. Trustees and Local Governing Committee members also hold membership of the National Governance Association and are able to access their e-learning, network and training programme. Trustees can also access the resources of the Confederation of School Trusts.

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2023*

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### Organisational structure

The governance structure consists of: the Members, the Trustees and a Local Governing Committee for each Academy, all supported by governance professionals. The aim of the management structure is to ensure clear accountability, whilst devolving responsibility and encouraging involvement in decision making at all levels, which is supported by business services provided by the trust's Central Team.

The Trust Board is responsible for the strategic direction of the Trust and has overall responsibility for educational performance, financial management, assets and other resources and senior staff appointments. The Board was supported during the year by the Finance, Audit and Risk (FAR), Achievement and Climate for Learning (ACL), People and Organisational Development (POD) and ad hoc Appointment Committees, as well as each Academy's own Local Governing Committees.

Delegated authority and powers of decision-making in relation to the Board and its committees, are defined in the Trust's Scheme of Delegation, which determines which responsibilities reside at individual Academy level. In some cases a Bespoke Scheme of Delegation is put in place for an individual Academy based on the Board's assessment of risk and the additional controls it identifies should be implemented to manage these.

All staffing appointments in academies are made at headteacher level with the exception of headteachers and deputy headteachers. In the case of headteachers, they are appointed by a committee established by the Trustees, and with an advisory role provided by the relevant Diocesan Education Board in the case of Church of England schools. Deputy Headteachers are appointed by the CEO.

Systems and procedures for financial management, HR, IT services and administration are overseen by the Trust's Central Team including the Chief Operating and Financial Officer, Head of Business Services, Head of IT Services and Head of HR.

The Senior Leadership Team of each Academy includes the Headteacher, one or more Deputy Headteachers and where appropriate a number of Assistant Headteachers. The Middle Management of the Academies is centred on managers with Teaching and Learning Responsibilities (TLRs). These managers have delegated responsibility for the day-to-day operation of particular areas, departments or aspects of their Academy, in particular organising the teaching staff, facilities and students.

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

All arrangements for setting and reviewing pay and remuneration are in accordance with the Trust's Pay Policy.

The Trust's Chief Executive Officer and Academy Headteachers are employed in accordance with the provisions of the prevailing School Teachers' Pay and Conditions Document (STPCD) and the Trust's Pay Policy. Each role has a salary range taking into account the relative job weight of the post. In the case of the Chief Executive Officer external benchmarking data is used to inform setting the range; in the case of Headteachers the salary range is based on a national formula of weighted pupil numbers. Progression for all personnel is subject to a review of performance against objectives set in the annual appraisal review which are focused on leadership and management. The POD Committee, based on recommendations made by three trustees in respect of the Chief Executive Officer and the Chief Executive Officer in respect of Headteachers, may decide to award one salary point for sustained high quality performance or exceptionally two salary points where there is scope within the individual's pay range to do so. Where performance has not been of a sustained high quality the Committee may decide that there should be no pay progression.

The Trust's Chief Operating and Financial Officer is appointed to an appropriate grade within the Trust's terms and conditions for senior managers based on the application of the HAY job evaluation scheme. Pay progression to the next salary point is determined by the Remuneration Committee on the basis of a successful annual appraisal.

### Trade Union Facility Time

Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

NEAT meets its statutory obligations to provide facility time to trade union representatives by pooling resources with other schools and academies within the relevant local authority to cover the time spent by trade union representatives across a number of different employers. During the year we spent 0.08% of our total pay bill on facility time.

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### Related parties and other connected charities and organisations

The Trust has a wholly owned Trading Subsidiary, NEAT Active Limited (the 'Subsidiary'), which oversees the community use of the Benfield Sports Centre and other school facilities when not in use by the School. The Subsidiary has its own Board of Directors, who regularly benchmark its strategies and services against market conditions.

Two of the Academies are Church of England schools within the Dioceses of Durham and Newcastle and the Trust works alongside the officers of the Joint Diocesan Education Team and the Durham and Newcastle Diocesan Education Boards.

The Trust also works with Newcastle United Foundation, an independent registered charity, which uses the passion for football across the north east to engage with disadvantaged pupils across a number of curriculum areas within schools. A Trustee is a member of the organisations senior management team.

### **Engagement with Employees and People with Disabilities**

Employees and their representatives are consulted on a regular basis about policies that affect their employment so that their views can be taken into account when the Trustees are making decisions. This includes issues such as performance management, pay and expenses, as well as employment procedures to manage conduct and sickness absence.

There is regular communication with employees to keep them informed about the performance of the Trust and its individual Academies. We undertake an annual staff survey and also encourage staff to provide feedback about matters of concern to them as employees and we make them aware of arrangements for whistleblowing if they have concerns about the running of the Trust.

The Trust has a range of policies that positively support the recruitment, promotion and training of people with disabilities. Recruitment and selection policies apply to all aspects of the recruitment process from advertising jobs through to appointing staff and the Trust takes positive action to interview all applicants with a disability who meet the essential requirements for a vacancy. The Trust's approach to supporting employees who become disabled includes making reasonable adjustments to the person's current job role and working conditions or seeking suitable alternative employment. The Trust's CPD policy recognises the need to ensure access to relevant training. There is also a disability related leave scheme which provides up to 20 days additional leave in a 12 month period.

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

The Trust Board is focused on promoting the success of the Trust and ensuring that the Trust remains successful and sustainable in the long-term. Fundamental to this is ensuring that we encourage sound and enduring engagement and relationships with all stakeholders, including those where the Trust has a business relationship. We strive for excellence in all aspects of our operations and value the support and professionalism provided through those organisations and people who we have a business relationship with.

The principal objective of the charitable company is the operation of its academies to provide the very best education for its students.

The Academy Trust's approach to achieving this are encompassed in its shared purpose, values and vision.

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **Objectives and activities**

#### **Objects and aims**

The principal objective of the charitable company is the operation of its academies to provide the very best education for its students.

The Academy Trust's approach to achieving this are encompassed in its shared purpose, values and vision.

#### **Our Shared Purpose**

We exist to nurture, educate, achieve and transform together.

We have developed a definition of our shared common purpose to ensure a common understanding:

**Nurture** - we support and challenge to enable growth

**Educate** - we prepare successful lifelong learners

**Achieve** - we strive to be the best we can be

**Transform** - we provide experience and opportunities that enrich and empower

#### **Our Values**

Our values are the behaviours that ensure we are enacting our common purpose through our strategy and actions and help shape our decision making in achieving our vision.

**Aspirational** - we aim high for ourselves and others.

**Collaborative** - we are best when we work together as one trust.

**Inclusive** - we welcome and value every individual and foster a sense of belonging.

**Innovative** - we are creative and forward thinking in our work.

**Responsible** - we act professionally and ethically in the best interests of the trust community.

#### **Our Vision**

Our vision for 2021 to 2028 is One trust, working with partners to grow potential

We have identified how we will know when we have achieved the vision by defining what the trust will look like, aligned to each of the three main aspects of the vision.

#### **One trust**

- Highly effective internal and external communication
- Highly effective and valued systems, processes and services.
- Secure resource to enable continuous improvement and innovative, outstanding practice

#### **Working with partners**

- Reputation for valuing key partners and stakeholders.
- Diverse voices are valued and shape the vision and strategy of the trust.
- Strong internal and external partnerships that add value.
- National influence and international reach

#### **Grow potential**

- Recognised as an employer of choice.
- Recognised to be a great place to be a governance volunteer.
- Reputation for delivering excellent academic outcomes.
- Reputation for developing young people who have the skills, knowledge and experiences to gain employment

#### **Public Benefit**

The charity's aims and achievements are set out within the report. The activities set out in the report have been undertaken to further the Charity's charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public guidance published by the Charities Commission and have paid due regard to this guidance in deciding activities that the charity should undertake.



# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### Strategic report

#### Achievements and performance

The trust has continued to provide strategic support and challenge to the six schools currently in the trust. Alongside this, the trust has continued to provide support and executive leadership to two primary schools in North Tyneside. We have been chosen as a sponsor match for one of the primary schools, Whitehouse Primary and we aim to bring them into the trust from 1st January 2024. The other school receiving support is very keen to join us and we are hopeful that they will be able to join us soon. They currently work with us as an associate member of the trust. As part of our aim to grow, we continue to build central capacity including within finance, HR, IT and governance. We have identified a need to grow further capacity at secondary level and are looking at various potential options to achieve this. Since the inception of the Trust in 2017, we have seen an increase in pupil numbers from 2,275 to our current pupil roll of 3,226, this will further increase when Whitehouse Primary joins the trust.

All of our schools are in areas of high social deprivation and the trust average pupil premium figure is currently 61%.

Across the Trust we currently have 3 additionally resourced provisions (ARPs) to support pupils with specific special education needs. Tyneview has a social communication ARP, Benfield has a physical disability ARP and a social communication ARP. Due to a review of SEND provision across the city, the Social, Emotional and Mental Health ARP which was based in West Walker has been closed. Whitehouse has an ARP for moderate learning difficulties so on joining the trust in January, we will again have 4 additionally resourced provisions, supporting some of our most vulnerable young people.

All primary schools are currently Ofsted GOOD. Benfield is currently graded as requiring improvement which is in line with the trust evaluation, following an inspection in May 2023. The inspection report recognises the green shoots and the actions that the trust has taken to ensure the school continues to improve at pace. The Headteacher continues to work very successfully within Benfield and he was highlighted as a strength during the recent inspection.

St Hild's is awaiting its first inspection since joining the trust. We can see the progress that St Hild's has made and this was recognised in the SIAMS inspection that took place in February 2023. The overall grade was good with both the impact of collective worship and the effectiveness of religious education (RE) being graded as excellent. The main findings from the SIAMS inspection were:

- The deeply embedded, well understood, biblically based vision permeates all aspects of school life and is effectively supported by core values. The positive relationships in place at all levels are key in enabling everyone to flourish.
- Collective worship has a profound and transformational impact on pupils and adults, with pupil leadership of worship particularly compelling. Pupils and staff treasure opportunities for reflection that are part of school life and are ready to share these in their wider community.
- Consistently high-quality religious education (RE) with an empowering and inspirational curriculum, crafted to community context ensures passionately engaged learners. A rich culture of profound reflection, deliberate curiosity and all-encompassing acceptance is foundational to RE at St Hild's.
- Pupils are passionate about preventing injustice and the concept of equity is woven across the taught and wider curriculum. Currently there is no shared approach to maximising opportunities for pupils to express and enact their passion for change.
- All are given space to develop spiritually through collective worship, the planned curriculum and spontaneous school life. However, pupils are less able to articulate their own experiences of spirituality.

We have continued to look for opportunities to develop colleagues and recently seconded an Assistant Headteacher from one of our primary schools to Deputy Headteacher of another one of our primaries to cover a maternity leave. We also seconded our Director of Research School into a Headteacher role for two terms and utilised the experience of our inclusion lead to provide executive leadership to another school we have been supporting. We are proud of this approach and can see how we are growing leadership capacity through providing these experiences.

Our Research School continues to go from strength to strength. This year our Evidence Leaders of Education (ELEs), have developed approaches to quality assuring learning and teaching through a Pupil Book Study approach. They have identified shared principles around quality first teaching and have reviewed and further developed our trust curriculum documents. Primary leads have developed an approach to assessment across Early Years to Key stage 2 and our secondary colleagues are in the process of identifying key learning milestones across key stage 3.

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Research School continues to provide support both within school and across the region and we continue to have strong partnerships with our local authorities, regional teaching school hubs, the Great North Maths Hub, the English Hub and North of Tyne combined Authority.

Across last academic year, Research School engaged with 140 schools.

We are now working closely with the EEF on an early-stage programme development project. We are developing mathematical vocabulary through quality maths story books. An evidence informed approach to closing the gap in maths between advantaged and disadvantaged pupils in Reception.

### Context overview of pupils attending NEAT schools during 2022-23

School	Pupil Premium (PP)		
	2020-21	2021-22	2022-23
Benfield	57.0%	63.7%	60.0%
Central Walker	75.2%	78.7%	79.2%
St Hilds	59.7%	67.5%	62.1%
Tyneview	36.5%	34.8%	48.6%
Walkergate	49.3%	50.7%	47.9%
West Walker	69.2%	71.0%	72.0%

School	English as an Additional Language (EAL)		
	2020-21	2021-22	2022-23
Benfield	22.2%	20.7%	26.0%
Central Walker	26.5%	26.9%	28.6%
St Hilds	1.9%	1.3%	2.5%
Tyneview	3.4%	1.9%	0.4%
Walkergate	7.2%	8.7%	9.2%
West Walker	7.9%	7.0%	16.8%

School	Special Educational Needs and Disabilities (SEND)		
	2020-21	2021-22	2022-23
Benfield	31.3%	31.8%	30.3%
Central Walker	24.5%	26.4%	20.4%
St Hilds	30.3%	27.9%	22.6%
Tyneview	19.1%	14.3%	18.1%
Walkergate	27.7%	27.6%	27.8%
West Walker	30.8%	25.0%	23.9%

School	Educational Health Care Plan (EHCP)		
	2020-21	2021-22	2022-23
Benfield	3.9%	6.1%	5.5%
Central Walker	0.7%	0.8%	2.3%
St Hilds	1.8%	1.7%	0.9%
Tyneview	11.0%	3.1%	4.1%
Walkergate	2.0%	3.4%	4.2%
West Walker	5.0%	3.0%	2.5%

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

The number of pupils qualifying for pupil premium remains high and these figures do not reflect the real picture as many of our families are 'working poor' and do not qualify for free school meals.

All schools continue to work hard to support these families. We have a comprehensive offer of support with a detailed system to identify and then intervene around key barriers to learning, many of which are external factors.

SEND has been generally static this year as we seek to provide early intervention to our learners. However we have seen a significant rise in more complex special educational needs across all schools.

While there is currently a mixed picture regarding the percentage of pupils with an EHCP, Benfield in particular, continues to receive pupils with complex needs. Benfield has the highest number of EHCP of any school (other than specialist provision) within Newcastle.

#### Achievement and Performance

The outcomes for our schools in 2022-23 are shown below.

##### Primary performance

##### Key Stage 2 (KS2) - % of pupils achieving expected standard

School	PP figure	Reading	Writing	Maths	Combined
Central Walker	78%	75%	61%	63%	56%
Tyneview	63%	83%	83%	87%	83%
Walkergate	61%	66%	68%	75%	53%
West Walker*	73%	51%	51%	41%	24%
National	27%	73%	71%	73%	59%

KS2 outcomes were mixed with Tyneview seeing outcomes in the top 5% nationally. West Walker's outcomes were down significantly on prediction and previous year but do include 2 pupils from within the ARP. There were a number of factors which impacted on outcomes last academic year, including real challenges around attendance and we are providing additional support to schools where this is needed.

##### Secondary performance

##### Key Stage 4:

School	Attainment 8			
	2019-20	2020-21	2021-22	2022-23
Benfield	42.4	42.1	38.4	33.6
St Hild's	43.8	44.0	40.8	33.2

School	% Eng and Maths 4 +	% Eng and Maths 5 +
Benfield	41%	22%
St Hild's	47%	24%
National	65%	45%

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

This is the first academic year when outcomes are measured against pre Covid levels. While it appears attainment has declined, both schools show attainment is above that of pre Covid years. Both schools continue to receive intensive support to accelerate progress further.

#### Key Stage 5:

Benfield	Progress			Average Result		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
A Level	0.92	-1.43	15.47	B-	D-	D-
Applied General	0.68	0.24	32	Dist+	Dist	Dist

During 2022-23, the Post 16 offer at Benfield was reduced due to a very small cohort. After a period of consultation, the board made the decision to close Benfield sixth form and as of September 2023 we have no post 16 offer on site.

#### Pupil Attendance

School	Attendance for 2022-23	National attendance	Regional attendance	Local authority attendance
Benfield	80.1%	91.0%	90.2%	88.9%
St Hild's	84.1%	91.0%	90.2%	90.1%
Central Walker	90.8%	93.7%	93.6%	93.6%
Tyneview	92.5%	93.7%	93.6%	93.6%
Walkergate	92.9%	93.7%	93.6%	93.6%
West Walker	90.0%	93.7%	93.6%	93.6%

Attendance across last academic year was a challenge nationally, particularly for schools with high levels of deprivation. All of our schools have levels of deprivation which are significantly above national. All of our trust schools ended the year with attendance below national. We have introduced a new trust attendance policy and to date, attendance across the trust is showing improvement with attendance currently (November 2023) 3.9% up on the previous year and we have seen the percentage of pupils persistently absent (attendance below 90%) reduce by 4.9%.

#### Operational Performance

The table below provides a comparison for some of the key operational performance measures for the Trust over the last two years.

% of Total Expenditure	2022-23	2021-22
Total Staff Costs	75%	77%
Teaching staff	40.3%	42.9%
Supply staff	7.1%	6.9%
Education support staff	15.9%	17.0%

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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Other staff	10.7%	9.7%
Total non-staffing costs	25%	23%
Premises	7.0%	5.8%
Teaching resources	6.8%	5.2%
Energy	3.3%	2.6%
Other expenditure	7.9%	9.4%

The trust has seen a 2% decrease in spend on staff costs, which reflects an underspend against our staffing budget for 2022-23. This provides evidence for some of the challenges we have faced during the year when trying to recruit to both teaching and support staff roles. While there has been some increase in the supply spend that we have incurred, we have also faced increased difficulty around securing cover for both unfilled vacancies and the higher levels of staff absences that have also needed to be covered. The recruitment and retention of staff is a key challenge for the sector as a whole.

#### Going concern

After making appropriate enquiries, the Trustees have 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.

#### Protecting the success of the academy trust

The Trustees recognise that their role as directors of the company must promote the success of the company, and in doing so must act fairly and have regard to a range of consequences of their decisions on the Trust's long-term viability. These include the interests of employees; business relationships with suppliers, customers and stakeholders; the community and the environment, and our reputation for high standards of business conduct. The Trustee's take all their decisions in the best interests of the Trust and our many stakeholders in order that we maintain our good reputation and to further the needs of the communities in which we operate.

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Financial review

The majority of the Academy Trust's income for the year 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 specific purposes. The grants and funding received from these bodies for the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

Income for the year ended 31 August 2023 was £28,471,000 (2022: £26,017,000) with growth coming from an increase in per pupil funding as well as additional ESFA grant funding to offset inflationary pressures. In addition income was received through government funding for capital grants through the School Condition Allocation. We also benefitted from further Covid related funding, including the provision of free school meal vouchers to qualifying parents in Newcastle and additional recovery grant funding.

During the year total expenditure of £28,356,000 (2022: 27,632,000) was less than grant and other funding by £115,000. When inherited assets and liabilities, restricted fixed asset funds and pension liabilities are stripped out, there was an excess of income over expenditure of £773,000.

At 31 August 2023 the net book value of fixed assets was £22,872,000 (2022: £22,657,000). Growth in fixed assets during the year was the result of significant investment in the trust's property estate, which has been partly supported by the trust receiving school condition allocation funding. The assets were used exclusively for providing education and associated support to the pupils in the Academies within the Trust.

The current assets of the Trust have increased during the year to £2,758,000, with cash accounting for £5,546,000 of this. While creditors have also increased to £3,859, the current ratio at the year end was 1.7 and is evidence for the trust having a strong working capital base.

Under accounting standard FRS 102, it is necessary to make a provision of the estimated year end position on the Local Government Pension Scheme (LGPS), which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a surplus which has not been recognised as an asset (2022 deficit: £2,204,000) at the year end. The triennial valuation of the LGPS funds at April 2022 has provided the trust with certainty over its employer contributions for the next three years and seen a reduction of 0.8% for the contributions to the Tyne and Wear Fund scheme.

#### Reserves policy

The Trust holds both restricted and unrestricted funds, which are detailed in the financial statements. The level of reserves is reviewed by the Trustees regularly throughout the period and the minimum level of reserves for the ongoing needs of the Academy Trust is set out in the Reserves and Investment Policy.

The Trustees currently target a minimum level of reserves across the trust that equates to the equivalent of one month's operating costs to cover working capital and contingency requirements. Additional funds are required where planned or anticipated future commitments to capital projects are identified.

The Trust's current level of reserves are in surplus by £2,120,000 (comprising £155,000 of restricted reserves and £1,965,000 of unrestricted reserves (note 18) and this equates to 7.4% of trust income for the year.

Included in unrestricted reserves is a surplus of £117,000 (2022: £104,000) in relation to the Subsidiary. The positive trading position at the Subsidiary in 2022-23 has been encouraging.

The Trustees recognise the importance of reserves for the sustainability of the Trust's operations and its capacity to deal with unforeseen events. Ongoing reviews of the strategic risks that the Trust faces will help in informing the level of reserves required going forward.

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Investment policy

The Trust's investment objectives are:

- to achieve the best financial return available for cash reserves, while ensuring that security of deposits takes precedence over revenue maximisation;
- to only invest funds surplus to operational need, based on all financial commitments being met without the Trust bank account becoming overdrawn; and
- to exercise all investment decisions with care and skill and consequently be in the best interests of the Trust and be able to command broad public support.

The Trustees have taken a prudent view with regard to investments during 2022-23 and has been able to benefit from rising interest rates during this period. It will look to review its approach during 2023-24, while being mindful of both liquidity and counter party risks.

#### Principal risks and uncertainties

The Trustees have developed the Trust's Risk Management Policy, which is used to identify the principal risks and uncertainties facing the Trust. These risks are recorded and monitored on an operational basis in each Academy's risk register and this in turn links into the Trust's overall strategic risk register. Risk categories considered are varied and include educational performance, financial, IT, HR and property related risks.

A major area of concern identified by trustees this year has been the performance of our secondary schools, who have faced significant challenges linked to the disruption their pupils have had as a result of Covid and the impact this had on their educational experience and on pupil and staff wellbeing. The trust has brought in additional secondary school improvement capacity and leadership support to help the implementation of robust systems and rapid improvement plans and all layers of governance are taking an active role in monitoring the impact of this support.

All of our schools have faced significant challenges with recruiting staff during the year and this is clearly shown through the much higher levels of vacancies and supply costs incurred by the trust during this period. This is reflective of a much wider problem for the whole education sector and has focused our thinking around strategies for staff retention, linked to the development of our value-based appraisals, a more focused CPD offer and greater thinking around our approach to talent mapping. In addition we have taken a much more positive approach to the use of the apprenticeship levy to attract and retain staff.

The board has closely monitored the potential IT related risks since our move to an in-house service and has been provide with regular project updates and through the support of the internal assurance program. In addition risks remain with the condition of some parts of the Trust's estate. The growth of the trust means that we are now eligible to receive School Condition Allocation capital funding. During the year all schools have received full building condition and mechanical and electrical surveys to enable the trust to understand the condition across the estate and this will allow us to develop and implement a proactive approach to planning our programme of property improvements going forward.

The Trust operates systems of financial planning and control to understand and monitor these risks and these are examined through our internal assurance program and with external auditors. Where significant financial risk still remains the Trust has ensured that adequate insurance cover is in place.

The Trust is developing a clear accountability framework to measure outcomes and support and training is provided to all levels of governance.

The Trust has implemented robust safeguarding policies and has also fully implemented the requirements of the Safer Recruitment procedures and all relevant staff have received training in this area.

# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### Fundraising

The Trust uses fundraising as a means of generating a relatively small amount of additional income to support the purchase of goods, equipment and services, which otherwise would not be affordable from core revenue and capital funds. The Trust typically undertakes a number of regular general fundraising activities such as school fayres and raffles to support our children's education as well as organising other fundraising for specific and clearly defined purposes

The Trust primarily engages with the families of the children at each school as well as other members of the local community. In addition approaches are also made to local businesses to support the fundraising activities of the Trust. All staff or volunteers carrying out fundraising activities are expected to act with fairness, honesty, integrity and openness and to ensure that nobody is put under pressure to donate. The Trust has not worked with any professional fundraisers during the year.

The Trustees are responsible for ensuring that all funds raised are properly accounted for and that the money is expended in accordance with the objectives agreed for the particular fundraising activity. They have not received any complaints during the year in relation to the Trust's fundraising activities.

#### Streamlined energy and carbon reporting

	2023 kWh	2022 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	6,381,511	5,999,294

	2023 metric tonnes	2022 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	828.00	854.00
- Fuel consumed for owned transport	6.00	6.00
	834.00	860.00
Scope 2 - indirect emissions		
- Electricity purchased	338.00	351.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the academy trust	2.00	1.00
	1,174.00	1,212.00
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	0.36	0.36

#### 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 2022 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, which is the recommended ratio for the sector.



# NEAT ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### *Measures taken to improve energy efficiency*

The trust seeks ways to reduce its energy consumption whenever undertaking building works. The trust has operated a policy of installing LED replacement light fittings and has adopted this approach for refurbishment projects undertaken in this period and a significant investment in replacement LED lighting was made at Central Walker during the year. We have also been working closely with Newcastle City Council in looking at opportunities for decarbonisation funding and have prepared and submitted a significant bid for the Phase 3 Public Sector Decarbonisation Programme funding opportunity. We should find out early in 2024 if this has been successful.

#### **Plans for future periods**

Aligned to the trust vision and 5 year strategic plan for the period 2021-26, we have specific priorities for the academic year 2023-24. There is a detailed action plan with measurable milestones which will be used by the board to measure impact of actions and progress during the year. All schools have identified specific priorities linked to the whole trust priorities for the coming academic year and operational plans sit beneath the strategic overview to ensure specific actions are carried out. We are in the process of aligning key priorities to link directors to ensure that there is an overview and evaluation of the impact of actions across the breadth of the trust.

In relation to specific school improvement, we have identified three shared priorities:

1. Know our children and community well so we identify and overcome barriers to making good progress
2. All of our learners will have access to an excellent curriculum and excellent teachers
3. Grow potential of all within the trust, leading to excellent outcomes

They feed up to the key strategic priorities for 2023-24. Each has a rapid improvement plan with clear milestones and these are used to track progress and impact.

Our strategic priorities for 2023-24 are:

1. The trust operates more effectively through improved systems, processes and communications.
2. Stakeholder engagement and involvement is strong and shaping strategy.
3. Key internal and external partnerships have been strengthened.
4. School performance is improving and capacity to continue to improve is growing.
5. A positive trust culture and climate supports ongoing improvement
6. Key stakeholder representation better reflects the pupils and communities we serve.
7. Effective relationships develop our students readiness for life.
8. Effective opportunities develop our students readiness for work.
9. Effective relationships lead to improved reputation and growth opportunities

#### **Auditor**

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 20 December 2023 and signed on its behalf by:



A McNall  
Chair

# NEAT ACADEMY TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that NEAT Academy 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.

As Trustees, we have reviewed and taken account of the guidance in the DFE's Governance handbook and competency framework for governance.

The Trustees have delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees formally met 6 times during the period ended 31 August 2023. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
S Beharall (Resigned 23 November 2023)	3	5
N Brannen	3	5
F Craik	3	5
M Denedo (Appointed 19 October 2022)	3	4
N Iftkhar	2	5
H Khoshtaghaza (Appointed 19 October 2022)	3	4
S Leggetter	2	5
A Lister	5	5
T Martell (Vice Chair)	5	5
A McNall (Chair)	4	5
S Ormerod	5	5

The Board elected a new chair at their meeting in October 2022. Two Co-Vice Chairs were in post during 2022-23 (N Iftkhar and N Brannen), who then stepped down in September 2023.

The Board recruited two non-executive directors to fill vacancies and strengthen its overall skillset, particularly in the areas of financial accountancy and HR/organisational development. One of the non-executive directors, who fulfils the role of Church Ethos Director, was re-appointed for a further term of office during 2022-23.

# NEAT ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **Board's Performance**

Following the development of a new vision and five-year strategic plan, the Board focused on the implementation of a number of changes and key priorities to its governance framework during 2022-23:

- the creation of a People and Organisational Development Committee to have oversight of strategic priorities focused on the trust's workforce and governance volunteers and the development of the trust's culture, structure and values to enable its vision to be achieved (in addition to the responsibilities of the former Remuneration Committee for the annual salary review process for teachers, leaders and senior managers);
- aligning the work of its Committees to specific strategic priorities within the five-year plan and developing key performance indicators and measures to ensure effective oversight linked to milestones and expected outcomes;
- ensuring bespoke local governance arrangements for specific schools for a time-limited period in order to manage risk;
- the creation of Link Governor roles for Health and Safety to support the Board to meet its statutory responsibilities.

The Board has been effective in ensuring all statutory financial management and governance requirements have been complied with and in identifying and managing risk at the level of the Trust and within its individual Academies.

### **Quality of data used**

The Board uses a range of data at the level of Trust and its individual Academies to set and measure key performance indicators. This is presented alongside comparative data at national, regional and local levels, as appropriate, to enable benchmarking of the performance of the Trust and its individual Academies against, for example, the pupil population of England as a whole, other Academy Trusts, individual schools and statistical neighbours. This enables Trustees and Local Governors to scrutinise data and challenge executive and school leaders and hold them to account across the range of performance indicators. This accountability process informs the development of the Trust's strategic and operational plans based on a thorough self-evaluation of performance.

### **Conflicts of interest**

The Trust maintains an up-to-date and complete register of interests for its Members, Trustees, Local Governing Committee Members and Senior Employees. This is used to identify any potential related party transactions and to ensure that decisions and procurement processes exclude those individuals who are identified as having a conflict of interest. All minutes of meetings record where conflicts of interest are identified and how they are handled during the meeting.

The Trust has a wholly owned trading subsidiary and the company has implemented appropriate reporting during 2022-23 to reflect the Articles of Association agreed the previous year. This is to ensure that there is a clear segregation of responsibilities for the Trust Board and the NEAT Active Ltd Board of Directors.

### **Governance annual assessment**

The Trust Board has continued to make an annual assessment of governance including reviewing its governance structure and delegated decision-making framework. The annual review has also included a skills audit and gap analysis, which has helped to inform the recruitment of new Trustees. It is recognised that the last external review of governance was in 2021 and therefore a further review is planned for 2023-24.

### **Finance, Audit and Risk Committee**

The Finance, Audit and Risk Committee is a committee established by the main Board of Trustees. Its purpose is to provide financial oversight of the trust, advise the Board on the adequacy and effectiveness of its systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money). In the period ended 31 August 2022 the Committee reviewed financial information, internal assurance reports and ensured actions were taken, identified and managed risks and agreed changes to financial controls.

# NEAT ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
M Denedo (Appointed 19 October 2022)	2	3
S Leggetter	4	4
A Lister	4	4
S Ormerod	2	3

#### Review of value for money

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

The Accounting Officer considers how the 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. The Trust has demonstrated good value for money and efficient and effective use of resources during the year by:

- regularly benchmarking financial performance and use of resources against other Academy Trusts to demonstrate that the trust provides good value for money and to identify where further improvements can be made.
- Undertaking formal tender processes to ensure that high value contracts are assessed against the marketplace and provide excellent value for money. Examples in this year include the building refurbishments works at both of our secondary schools.
- When possible the trust uses public sector procurement frameworks to achieve common suppliers across its schools and to achieve best value for money for the sourcing of goods and services.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 August 2023 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### The risk and control framework

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

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

# NEAT ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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The Board of Trustees has considered the need for a specific internal audit function and has appointed Veritau Ltd as lead Internal Auditors, to undertake a programme of internal assurance across all operating areas identified on the Trust's risk register.

The programme of internal assurance includes giving advice on our approach to risk and reviewing our assurance reporting procedures as well as performing a range of checks on the Trust's operating procedures. In particular the checks carried out in the current period included a review of:

- IT infrastructure security audit
- Information governance compliance review
- HR procedures compliance review

On a termly basis, the Board of Trustees receive an assurance report on the operation of control and on the discharge of the Board of Trustees' responsibilities. Outstanding actions from these reports are reviewed and monitored on a regular basis.

The Trust confirms that the internal audit function has been fully delivered in line with the ESFA's requirements and that no material control issues have been identified.

#### Review of effectiveness

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

- the work of the Finance, Audit and Risk Committee;
- the work of the external auditor;
- the work of the internal auditor;
- the financial management and governance self-assessment process; and
- the work of members of the Central Team who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Risk Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 20 December 2023 and signed on its behalf by:



A McNail  
Chair

  
D Bailey  
Accounting Officer

## **NEAT ACADEMY TRUST**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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

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As accounting officer of NEAT Academy 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 terms and conditions of all funding, including for estates safety and management, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust's 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 Academy Trust Handbook 2022.

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



**D Bailey**  
**Accounting Officer**

20 December 2023

# NEAT ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2023

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

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

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 20 December 2023 and signed on its behalf by:



A McNall  
Chair

# NEAT ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEAT ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2023

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### Opinion

We have audited the accounts of NEAT Academy Trust (the 'parent academy') and its subsidiaries (the 'group') which comprise the consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the Consolidated and Academy Trust balance sheets, the Consolidated Statement of Cash Flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

### Basis for opinion

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

### Emphasis of matter - LGPS disclosure

We draw your attention to note 2 to the financial statements which describes how the LGPS balance has been accounted for. Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# NEAT ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEAT ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error. In preparing the accounts, the trustees are responsible for assessing the 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 charitable company, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

# NEAT ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEAT ACADEMY TRUST (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

#### Use of our report

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

*Azets Audit Services*

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services

21/12/2023  
.....

Statutory Auditor

Wynyard Park House  
Wynyard Avenue  
Wynyard  
United Kingdom  
TS22 5TB

# **NEAT ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEAT ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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

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In accordance with the terms of our engagement letter dated 22 August 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by NEAT Academy Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of NEAT Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of NEAT Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2017 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

## NEAT ACADEMY TRUST

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

**FOR THE YEAR ENDED 31 AUGUST 2023**

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

#### Conclusion

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

*Azets Audit Services*

**Reporting Accountant**  
Azets Audit Services

Dated: .....21/12/2023.....

# NEAT ACADEMY TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £000	Restricted funds: General £000	Fixed asset £000	Total 2023 £000	Total 2022 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	11	-	821	832	628
Charitable activities:						
- Funding for educational operations	4	127	26,018	-	26,145	24,313
Other trading activities	6	1,443	-	-	1,443	1,074
Investments	5	51	-	-	51	2
<b>Total</b>		<u>1,632</u>	<u>26,018</u>	<u>821</u>	<u>28,471</u>	<u>26,017</u>
<b>Expenditure on:</b>						
Raising funds	7	1,254	-	-	1,254	582
Charitable activities:						
- Educational operations	9	254	25,872	976	27,102	27,050
<b>Total</b>	7	<u>1,508</u>	<u>25,872</u>	<u>976</u>	<u>28,356</u>	<u>27,632</u>
<b>Net income/(expenditure)</b>		124	146	(155)	115	(1,615)
Transfers between funds	18	(25)	(624)	649	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	20	-	3,455	-	3,455	12,025
Pension asset not recognised	20	-	(748)	-	(748)	(75)
<b>Net movement in funds</b>		99	2,229	494	2,822	10,335
<b>Reconciliation of funds</b>						
Total funds brought forward		1,866	(2,074)	22,978	22,770	12,438
Total funds carried forward		<u>1,965</u>	<u>155</u>	<u>23,472</u>	<u>25,592</u>	<u>22,773</u>

# NEAT ACADEMY TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted	Restricted funds:		Total
		funds £000	General £000	Fixed asset £000	2022 £000
<b>Income and endowments from:</b>					
Donations and capital grants	3	18	-	610	628
Charitable activities:					
- Funding for educational operations	4	183	24,130	-	24,313
Other trading activities	6	1,074	-	-	1,074
Investments	5	2	-	-	2
<b>Total</b>		<b>1,277</b>	<b>24,130</b>	<b>610</b>	<b>26,017</b>
<b>Expenditure on:</b>					
Raising funds	7	582	-	-	582
Charitable activities:					
- Educational operations	9	316	25,836	898	27,050
<b>Total</b>	<b>7</b>	<b>898</b>	<b>25,836</b>	<b>898</b>	<b>27,632</b>
<b>Net income/(expenditure)</b>		<b>379</b>	<b>(1,706)</b>	<b>(288)</b>	<b>(1,615)</b>
Transfers between funds	18	104	(606)	502	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	12,025	-	12,025
Pension asset not recognised	20	-	(75)	-	(75)
<b>Net movement in funds</b>		<b>483</b>	<b>9,638</b>	<b>214</b>	<b>10,335</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,386	(11,712)	22,764	12,438
Total funds carried forward		1,869	(2,074)	22,978	22,773

# NEAT ACADEMY TRUST

## CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023		2022	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	13		22,872		22,657
<b>Current assets</b>					
Debtors	14	1,071		1,147	
Cash at bank and in hand		5,546		4,043	
		6,617		5,190	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(3,859)		(2,818)	
<b>Net current assets</b>			2,758		2,372
<b>Total assets less current liabilities</b>			25,630		25,029
Creditors: amounts falling due after more than one year	16		(38)		(52)
<b>Net assets excluding pension liability</b>			25,592		24,977
Defined benefit pension scheme liability	20		-		(2,204)
<b>Total net assets</b>			25,592		22,773
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			23,472		22,978
- Restricted income funds			155		130
- Pension reserve			-		(2,204)
<b>Total restricted funds</b>			23,627		20,904
<b>Unrestricted income funds</b>	18		1,965		1,869
<b>Total funds</b>			25,592		22,773

The accounts on pages 27 to 56 were approved by the trustees and authorised for issue on 20 December 2023 and are signed on their behalf by:



A McNall  
Chair

Company registration number 10561094 (England and Wales)

# NEAT ACADEMY TRUST

## CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2023

ACADEMY TRUST BALANCE SHEET		2023		2022	
	Notes	£ 000	£ 000	£ 000	£ 000
<b>Fixed assets</b>					
Tangible assets	13		22,861		22,641
<b>Current assets</b>					
Debtors	14	1,118		1,313	
Cash at bank and in hand		5,363		3,764	
			6,481		5,077
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(3,826)		(2,795)	
<b>Net current assets</b>			2,655		2,282
<b>Total assets less current liabilities</b>			25,516		24,923
Creditors: amounts falling due after more than one year	16		(38)		(52)
<b>Net assets excluding pension</b>			25,478		24,871
Defined benefit pension scheme	20		-		(2,204)
<b>Total net assets</b>			25,478		22,667
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset funds	18		23,458		22,978
- Restricted Income funds			155		130
- Pension reserve			-		(2,204)
<b>Total restricted funds</b>			23,613		20,904
<b>Unrestricted income funds</b>	18		1,865		1,763
<b>Total funds</b>			25,478		22,667

The accounts on pages 27 to 56 were approved by the trustees and authorised for issue on 20 December 2023 and are signed on their behalf by:

*A McNall*

A McNall  
Chair



# NEAT ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £000	£000	2022 £000	£000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		1,839		1,226
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		51		2	
Capital grants from DfE Group		821		610	
Purchase of tangible fixed assets		(1,197)		(702)	
Proceeds from sale of tangible fixed assets		4		-	
<b>Net cash used in investing activities</b>			<b>(321)</b>		<b>(90)</b>
<b>Cash flows from financing activities</b>					
Repayment of long term bank loan		(14)		(13)	
Repayment of other loan		(1)		8	
<b>Net cash used in financing activities</b>			<b>(15)</b>		<b>(5)</b>
<b>Net increase in cash and cash equivalents in the reporting period</b>			<b>1,503</b>		<b>1,131</b>
Cash and cash equivalents at beginning of the year			4,043		2,912
<b>Cash and cash equivalents at end of the year</b>			<b>5,546</b>		<b>4,043</b>

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the 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 (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the 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 accounts.

##### 1.3 Basis of consolidation

The financial statements consolidate the accounts of NEAT Academy Trust and its subsidiary undertaking.

NEAT Academy Trust meet the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, remuneration of key management personnel and other related parties.

Profits generated by the subsidiary will be passed to the academy trust via gift aid.

The academy trust made a surplus for the financial year of £2,811,000 (2022: £10,173,000).

##### 1.4 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.

##### Grants

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

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

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

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 1 Accounting policies

(Continued)

##### 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.

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

#### 1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the 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.

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 1 Accounting policies

(Continued)

##### 1.6 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Land and buildings	50 years straight line
Property improvements	5-30 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	7 years straight line
Motor vehicles	4 years straight line

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

##### 1.7 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.

##### 1.8 Leased assets

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

##### 1.9 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. Prepayments are not financial instruments.

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

###### Financial liabilities

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

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

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

(Continued)

#### 1.10 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.11 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.12 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 the Department for Education Group.

### 2 Critical accounting estimates and areas of judgement

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

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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

(Continued)

##### 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.

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The UK corporate bond yields at 31 August 2023 are at their highest levels for many years resulting in higher accounting discount rates at the year end. This places a significantly lower value on the pension obligations compared to last year and will be one of the main reasons a net asset has been reported. We have ensured that our assumptions are appropriate for the Academy Trust and the valuation has been based on the following estimates:

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

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

##### Critical areas of judgement

###### Depreciation

Depreciation is calculated as to write off the cost of an asset off over its useful economic life. The accounting policies are disclosed in the accounting policy above.

#### 3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Capital grants	-	821	821	610
Other donations	11	-	11	18
	<u>11</u>	<u>821</u>	<u>832</u>	<u>628</u>

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 4 Funding for the academy trust's charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	19,179	19,179	18,176
Other DfE/ESFA grants:				
- UIFSM	-	107	107	84
- Pupil premium	-	2,205	2,205	2,097
- Start up grants	-	25	25	25
- PE and Sports grant	-	76	76	76
- Rates income	-	79	79	98
- Teachers pension	-	28	28	26
- Teachers pay	-	6	6	3
- Pupil recovery	-	-	-	267
- Others	-	308	308	61
- Supplementary grant	-	607	607	253
- National tutoring programme	-	101	101	172
- MSAG grant	-	297	297	-
	-	23,018	23,018	21,338
<b>Other government grants</b>				
Local authority grants	-	2,587	2,587	2,762
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Other DfE/ESFA COVID-19 funding	-	413	413	30
<b>Other funding</b>				
Catering income	106	-	106	177
Other incoming resources	21	-	21	6
	127	-	127	183
<b>Total funding</b>	<b>127</b>	<b>26,018</b>	<b>26,145</b>	<b>24,313</b>

### 5 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Short term deposits	51	-	51	2

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 6 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £000
Hire of facilities	11	-	11	11
Music tuition	-	-	-	2
Parental contributions	26	-	26	21
Subsidiary income	437	-	437	417
Other income	969	-	969	623
	<u>1,443</u>	<u>-</u>	<u>1,443</u>	<u>1,074</u>

### 7 Expenditure

	Staff costs £000	Non-pay expenditure		Total 2023 £000	Total 2022 £000
		Premises £000	Other £000		
Expenditure on raising funds					
- Direct costs	1,219	-	35	1,254	583
Academy's educational operations					
- Direct costs	12,509	-	1,028	13,537	13,800
- Allocated support costs	6,499	3,835	3,231	13,565	13,249
	<u>20,227</u>	<u>3,835</u>	<u>4,294</u>	<u>28,356</u>	<u>27,632</u>

Net income/(expenditure) for the year includes:

	2023 £000	2022 £000
Operating lease rentals	18	43
Depreciation of tangible fixed assets	977	896
(Gain)/loss on disposal of fixed assets	(1)	2
Fees payable to auditor for:		
- Audit	20	15
- Other services	5	5
Net interest on defined benefit pension liability	72	199

### 8 Central services

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

- 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:

- Each academy pays the Trust 5.5% of the school budget to fund central services



# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 8 Central services

(Continued)

The amounts charged during the year were as follows:

	2023 £000	2022 £ 000
Benfield School	413	364
Central Walker CofE Primary School	121	112
St. Hild's CofE School	255	251
Tyneview Primary School	76	74
Walkergate Community School	180	177
West Walker Primary School	66	68
NEAT Active Limited	-	-
	<u>1,111</u>	<u>1,046</u>

#### 9 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2023 £000	Total 2022 £
<b>Direct costs</b>				
Educational operations	-	13,537	13,537	13,801
<b>Support costs</b>				
Educational operations	254	13,311	13,565	13,249
	<u>254</u>	<u>26,848</u>	<u>27,102</u>	<u>27,050</u>
			<b>2023</b> £000	<b>2022</b> £
<b>Analysis of support costs</b>				
Support staff costs			6,587	7,196
Depreciation			976	898
Premises costs			2,859	2,238
Legal costs			9	11
Other support costs			3,105	2,878
Governance costs			29	28
			<u>13,565</u>	<u>13,249</u>

#### 10 Trustees' remuneration and expenses

None of the trustees have been paid remuneration or has received other benefits from an employment with the academy trust.

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 11 Staff

#### Staff costs

Staff costs during the year were:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	13,773	13,156
Social security costs	1,340	1,262
Pension costs	3,190	4,681
	<u>18,303</u>	<u>19,099</u>
Staff costs - employees	18,303	19,099
Agency staff costs	1,886	1,562
Staff restructuring costs	34	3
	<u>20,223</u>	<u>20,664</u>
Staff development and other staff costs	239	203
	<u>20,462</u>	<u>20,867</u>

Staff restructuring costs comprise:

Severance payments	34	3
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#### Severance payments

The academy trust paid 2 severance payments in the year, disclosed in the following bands:

0 - £25,000	2
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#### Staff numbers

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Teachers	186	184
Administration and support	308	276
Management	11	10
	<u>505</u>	<u>470</u>

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 11 Staff

(Continued)

#### Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	8	9
£70,001 - £80,000	4	4
£80,001 - £90,000	3	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

#### 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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,036,288 (2022: £1,041,382).

### 12 Trustees' and officers' insurance

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

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 13 Tangible fixed assets Group

	Land and buildings	Property improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 September 2022	21,867	1,721	1,642	431	55	25,716
Additions	-	819	204	171	3	1,197
Disposals	-	-	-	(2)	(10)	(12)
At 31 August 2023	21,867	2,540	1,846	600	48	26,901
<b>Depreciation</b>						
At 1 September 2022	1,801	189	827	192	52	3,061
On disposals	-	-	-	(1)	(8)	(9)
Charge for the year	334	106	475	62	1	978
At 31 August 2023	2,135	295	1,302	253	45	4,030
<b>Net book value</b>						
At 31 August 2023	19,734	2,245	544	346	3	22,872
At 31 August 2022	20,068	1,532	815	239	3	22,657

### Academy Trust

	Land and buildings	Property improvements	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
<b>Cost</b>						
At 1 September 2022	21,867	1,721	1,641	397	55	25,681
Additions	-	819	204	171	3	1,197
Disposals	-	-	-	(2)	(10)	(12)
At 31 August 2023	21,867	2,540	1,845	566	48	26,866
<b>Depreciation</b>						
At 1 September 2022	1,801	189	826	173	52	3,041
On disposals	-	-	-	-	(8)	(8)
Charge for the year	334	106	475	57	1	973
At 31 August 2023	2,135	295	1,301	230	45	4,006
<b>Net book value</b>						
At 31 August 2023	19,734	2,245	544	336	3	22,860
At 31 August 2022	20,066	1,532	815	224	3	22,640

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 13 Tangible fixed assets

(Continued)

In respect of Central Walker, the academy trust company occupies land (including buildings) which are owned by its Trustees who are The Diocese of Newcastle. The Trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church'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 company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

In respect of St Hild's, the academy trust company occupies land (including buildings) which are owned by its Trustees who are The Diocese of Durham. The Trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church'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 company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

The Academy Trust has taken up a 125 year leasehold for the playing fields at the St Hild's Church of England site.

### 14 Debtors

	Group		Academy Trust	
	2023	2022	2023	2022
	£000	£ 000	£000	£ 000
Trade debtors	179	77	159	40
Amounts owed by group undertakings	-	-	83	222
VAT recoverable	189	243	189	246
Prepayments and accrued income	703	827	687	705
	<u>1,071</u>	<u>1,147</u>	<u>1,118</u>	<u>1,213</u>

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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

	2023 £000	Group 2022 £ 000	2023 £000	Academy Trust 2022 £ 000
Other loans	13	14	13	14
Trade creditors	1,292	822	1,276	809
Other taxation and social security	326	310	326	309
Other creditors	327	325	325	325
Accruals and deferred income	1,901	1,347	1,886	1,338
	<u>3,859</u>	<u>2,818</u>	<u>3,826</u>	<u>2,795</u>

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

	2023 £000	Group 2022 £ 000	2023 £000	Academy Trust 2022 £ 000
Government loans	<u>38</u>	<u>52</u>	<u>38</u>	<u>52</u>
<b>Analysis of loans</b>	<b>2023 £000</b>	<b>2022 £ 000</b>	<b>2023 £000</b>	<b>2022 £ 000</b>
Wholly repayable within five years	51	66	51	66
Less: included in current liabilities	(13)	(14)	(13)	(14)
Amounts included above	<u>38</u>	<u>52</u>	<u>38</u>	<u>52</u>
<b>Loan maturity</b>				
Debt due in one year or less			13	14
Due in more than one year but not more than two years			38	52
			<u>51</u>	<u>66</u>

Loans of £21,557 from Salix Finance were provided on the following terms : Salix Energy Efficient Loan, interest free repayable via GAG in six-monthly instalments of £3,080 from March 2020.

Loans of £50,000 from the ESFA were provided under the Condition Improvement Fund on the following terms : Interest rate of 1.91% repayable via GAG in monthly instalments of £164 from September 2022.

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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<b>17 Deferred income</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£ 000</b>
Deferred income is included within:		
Creditors due within one year	783	531
	<u>783</u>	<u>531</u>
Deferred income at 1 September 2022	531	653
Released from previous years	(531)	(653)
Resources deferred in the year	783	531
	<u>783</u>	<u>531</u>
Deferred income at 31 August 2023	<u>783</u>	<u>531</u>

At the balance sheet date, the academy trust was holding funds received in advance of 2023/24 in respect of rates relief grant, universal infant free school meals, devolved formula capital, early years and high needs funding.

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 Funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2023 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	19,179	(18,530)	(649)	-
Start up grants	-	25	(25)	-	-
UIFSM	-	107	(107)	-	-
Pupil premium	-	2,205	(2,205)	-	-
Other DfE/ESFA COVID-19 funding	-	413	(413)	-	-
Other DfE/ESFA grants	-	308	(308)	-	-
Other government grants	-	2,587	(2,587)	-	-
Sinking fund	130	-	-	25	155
Teachers pension	-	28	(28)	-	-
Teachers pay	-	6	(6)	-	-
Rates	-	79	(79)	-	-
Supplementary grant	-	607	(607)	-	-
National tutoring programme	-	101	(101)	-	-
PE & Sports premium	-	76	(76)	-	-
MSAG grant	-	297	(297)	-	-
Pension reserve	(2,204)	-	(503)	2,707	-
	<u>(2,074)</u>	<u>26,018</u>	<u>(25,872)</u>	<u>2,083</u>	<u>155</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	20,329	-	(417)	-	19,912
DfE group capital grants	2,318	821	(445)	-	2,694
Capital expenditure from GAG	331	-	(114)	649	866
	<u>22,978</u>	<u>821</u>	<u>(976)</u>	<u>649</u>	<u>23,472</u>
<b>Total restricted funds</b>	<u>20,904</u>	<u>26,839</u>	<u>(26,848)</u>	<u>2,732</u>	<u>23,627</u>
<b>Unrestricted funds</b>					
General funds	<u>1,866</u>	<u>1,632</u>	<u>(1,508)</u>	<u>(25)</u>	<u>1,965</u>
<b>Total funds</b>	<u>22,770</u>	<u>28,471</u>	<u>(28,356)</u>	<u>2,707</u>	<u>25,592</u>



# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

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#### 18 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Other DfE/ESFA grants include pupil premium, and year 7 catch up grants received. The trust has also received teachers' pay and pension grants, rates grant and Covid catch up funding from the ESFA.

Other government grants include income for pupils with special educational needs received from the local authority.

DfE/ESFA Capital Grants consist of the devolved capital grant and capital improvement fund which has been partly spent on non capitalised items and asset additions in the year with the remainder carried forward for future use.

The Inherited Fixed Asset Fund reflects the fixed assets acquired from the Local Authority on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds consist of other funds raised by the trust, including self generated income associated with the teaching school and inherited conversion balances.

At 31 August 2023 the academy and subsidiary had restricted general and unrestricted funds of £2,1,20,000.

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 Funds

(Continued)

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

	Balance at 1 September 2021 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2022 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	18,176	(17,674)	(502)	-
Start up grants	-	25	(25)	-	-
UIFSM	-	84	(84)	-	-
Pupil premium	-	2,097	(2,097)	-	-
Other DfE/ESFA COVID-19 funding	-	267	(267)	-	-
Other DfE/ESFA grants	-	90	(90)	-	-
Other government grants	-	2,762	(2,762)	-	-
Sinking fund	105	-	-	25	130
Teachers pension	-	76	(76)	-	-
Teachers pay	-	98	(98)	-	-
Rates	-	253	(253)	-	-
Supplementary grant	-	172	(172)	-	-
National tutoring programme	-	26	(26)	-	-
PE & Sports premium	-	4	(4)	-	-
MSAG grant	28	-	(28)	-	-
Pension reserve	(11,845)	-	(2,180)	11,821	(2,204)
	<u>(11,712)</u>	<u>24,130</u>	<u>(25,836)</u>	<u>11,344</u>	<u>(2,074)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	20,758	-	(429)	-	20,329
DfE group capital grants	2,006	610	(298)	-	2,318
Capital expenditure from GAG	-	-	(171)	502	331
	<u>22,764</u>	<u>610</u>	<u>(898)</u>	<u>502</u>	<u>22,978</u>
<b>Total restricted funds</b>	<u>11,052</u>	<u>24,740</u>	<u>(26,734)</u>	<u>11,846</u>	<u>20,904</u>
<b>Unrestricted funds</b>					
General funds	<u>1,386</u>	<u>1,277</u>	<u>(898)</u>	<u>104</u>	<u>1,869</u>
<b>Total funds</b>	<u>12,438</u>	<u>26,017</u>	<u>(27,632)</u>	<u>11,950</u>	<u>22,773</u>

#### Total funds analysis by academy

Fund balances for each academy as at 31 August 2023 and 31 August 2022 were zero, hence a breakdown by academy is not included in these accounts.

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	Total 2022 £000
Benfield School	4,002	1,634	348	2,394	8,378	7,412
Central Walker CofE Primary School	1,757	563	103	540	2,963	2,585
St. Hild's CofE School	2,788	1,066	156	908	4,918	5,003
Tyneview Primary School	1,062	424	87	299	1,872	1,738
Walkergate Community School	2,413	749	80	886	4,128	3,991
West Walker Primary School	978	401	57	292	1,728	1,615
NEAT Active Limited	-	-	-	169	169	176
Central services	741	1,435	48	496	2,720	2,033
	<u>13,741</u>	<u>6,272</u>	<u>879</u>	<u>5,815</u>	<u>26,876</u>	<u>24,553</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
<b>Fund balances at 31 August 2023 are represented by:</b>				
Tangible fixed assets	12	-	22,860	22,872
Current assets	5,757	155	705	6,617
Current liabilities	(3,804)	-	(55)	(3,859)
Non-current liabilities	-	-	(38)	(38)
<b>Total net assets</b>	<u>1,965</u>	<u>155</u>	<u>23,472</u>	<u>25,592</u>

# NEAT ACADEMY TRUST

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

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£000	£000	£000	£000
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	16	-	22,641	22,657
Current assets	4,657	130	403	5,190
Current liabilities	(2,804)	-	(14)	(2,818)
Non-current liabilities	-	-	(52)	(52)
Pension scheme liability	-	(2,204)	-	(2,204)
<b>Total net assets</b>	<b>1,869</b>	<b>(2,074)</b>	<b>22,978</b>	<b>22,773</b>

### 20 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 and Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £321,146 were payable to the schemes at 31 August 2023 (2022: £302,766) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019.

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £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. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £1,354,684 (2022: £1,374,860).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.5 - 18.6% for employers and 5.5 - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

<b>Total contributions made</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Employer's contributions	945	905
Employees' contributions	317	297
	<hr/>	<hr/>
Total contributions	<b>1,262</b>	<b>1,202</b>
	<hr/> <hr/>	<hr/> <hr/>

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 20 Pension and similar obligations

(Continued)

Principal actuarial assumptions	Teesside	Teesside	T&W	T&W
	2023	2022	2023	2022
	%	%	%	%
Rate of increase in salaries	3.95	4.05	4.1	4.2
Rate of increase for pensions in payment/ inflation	2.95	3.05	2.6	2.7
Discount rate for scheme liabilities	5.20	4.25	5.0	4.0
Inflation assumption (CPI)	2.95	3.05	2.6	2.7

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

	Teesside	Teesside	T&W	T&W
	2023	2022	2023	2022
	Years	Years	Years	Years
Retiring today				
- Males	20.5	21.7	21.0	21.8
- Females	23.5	23.5	24.1	25.0
Retiring in 20 years				
- Males	21.3	22.9	22.2	23.5
- Females	25.0	25.5	25.5	26.7

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

#### The academy trust's share of the assets in the scheme

	2023	2022
	Fair value	Fair value
	£	£
Equities	8,456,680	7,964,000
Bonds	2,568,000	2,300,000
Cash	320,640	583,000
Pension asset not recognised	(823,000)	(75,000)
Property	1,911,680	1,751,000
Other assets	2,072,000	1,492,000
<b>Total market value of assets</b>	<b>14,506,000</b>	<b>14,015,000</b>

The actual return on scheme assets was £239,000 (2022: £47,000).

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

<b>20 Pension and similar obligations</b>	<b>(Continued)</b>	
<b>Amount recognised in the statement of financial activities</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Current service cost	1,376	2,886
Interest income	(590)	(230)
Interest cost	662	429
Total operating charge	<u>1,448</u>	<u>3,085</u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At 1 September 2022	16,219	24,924
Current service cost	1,376	2,886
Interest cost	662	429
Employee contributions	317	297
Actuarial gain	(3,806)	(12,208)
Benefits paid	(262)	(109)
At 31 August 2023	<u>14,506</u>	<u>16,219</u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
At 1 September 2022	14,015	12,950
Interest income	590	230
Actuarial loss	(351)	(183)
Employer contributions	945	905
Employee contributions	317	297
Benefits paid	(262)	(109)
Pension asset not recognised	(748)	(75)
At 31 August 2023	<u>14,506</u>	<u>14,015</u>

# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Notes	2023 £000	2022 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		115	(1,616)
Adjusted for:			
Capital grants from DfE and other capital income		(821)	(610)
Investment income receivable	5	(51)	(2)
Defined benefit pension costs less contributions payable	20	431	1,981
Defined benefit pension scheme finance cost	20	72	199
Depreciation of tangible fixed assets		977	896
Profit/(loss) on disposal of fixed assets		(1)	2
Decrease in debtors		75	383
Increase/(decrease) in creditors		1,042	(7)
<b>Net cash provided by operating activities</b>		<u>1,839</u>	<u>1,226</u>

### 22 Analysis of changes in net funds

	1 September 2022 £000	Cash flows £000	31 August 2023 £000
Cash	4,043	1,503	5,546
Loans falling due within one year	(14)	1	(13)
Loans falling due after more than one year	(52)	14	(38)
	<u>3,977</u>	<u>1,518</u>	<u>5,495</u>

### 23 Long-term commitments

#### Operating leases

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

	2023 £000	2022 £ 000
Amounts due within one year	24	45
Amounts due in two and five years	62	17
	<u>86</u>	<u>62</u>

### 24 Related party transactions

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



# NEAT ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 24 Related party transactions

(Continued)

##### Expenditure related party transactions

###### **NEAT Active Limited**

NEAT Active Limited is a wholly owned subsidiary of the academy trust.

During the year the academy trust purchased goods and services totalling £58,332 (2022: £40,053) and made sales totalling £264,533 (2022: £243,184).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2022.

At the balance sheet date the amount due from NEAT Active Limited was £82,997(2022: £221,745)

###### **Mr L McNall**

Mr L McNall is an employee of the academy trust and the son of a trustee,

During the year Mr L McNall was employed by the academy trust as a Teacher and was paid in line with national pay scales.

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2022.

No amounts were due to Mr L McNall as the balance sheet date.

###### **Newcastle United Foundation**

S Beherall, a trustee of the academy trust, is a member of the senior management team.

During the year, the academy purchases goods and services totalling £57,800 (2022: £45,250).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2022.

At the balance sheet date the amounts due to Newcastle United Foundation was £nil (2022: £nil).

###### **Newcastle Diocesan Board of Finance**

The Right Reverend M Wroe and The Right Reverend Dr H Hartley, members of the academy trust, are directors.

During the year, the academy purchases goods and services totalling £1,909 (2022: £1,969).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2022.

At the balance sheet date the amounts due to Newcastle Diocesan Board of Finance was £nil (2022: £nil).

##### Income related party transactions

###### **Welbeck Academy**

H Gill, a member of the academy trust, is a trustee.

During the year, the academy made sales totalling £325 (2022: £5,320).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2022.

At the balance sheet date the amount due from Welbeck Academy is £nil (2022: £250).

###### **Forest Hall Primary School**

S Omerod, a trustee of the academy trust, is a trustee.

During the year, the academy made sales totalling £nil (2022: £115).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2022.

At the balance sheet date the amount due from Forest Hall Primary School is £nil (2022: £nil).

# NEAT ACADEMY TRUST

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

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### 25 Principal Subsidiaries

#### NEAT Active Limited

Company registration number	10424587
Basis of control	Wholly owned subsidiary
Equity shareholding %	100
	<b>£ 000</b>
Total assets as at 31 August 2023	4,198
Total current liabilities as at 31 August 2023	(115)
Pension scheme liability	-
Total equity as at 31 August 2023	4,083
Turnover for the year at 31 August 2023	495
Expenditure for the year at 31 August 2023	(574)
Result for the year at 31 August 2024	(79)

### 26 Members' liability

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