

TUDHOE LEARNING TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Registered number: 08270151

TUDHOE LEARNING TRUST
(A company limited by guarantee)

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TUDHOE LEARNING TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS/ DIRECTORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

J V Graham
J M Kenny
G Norman (resigned 12 February 2016)

Directors

J H Smith, Chief Executive Officer and Accounting Officer
I Whitfield, Chair
J Price (resigned 10 June 2016)
L Moses
M Simpson
A Boustead
D Turner
D Bowes
S I Palmerly (resigned 9 June 2016)
R Robson (appointed 1 September 2015)
R K Hodge (appointed 1 September 2015)
J Temple (appointed 1 September 2015)

Company registered number

08270151

Company name

Tudhoe Learning Trust

Principal and registered office

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

Company secretary

G Pigott

Chief executive officer

J H Smith

Independent auditors

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

Bankers

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

Solicitors

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

TUDHOE LEARNING TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

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

Structure, governance and management

● **CONSTITUTION**

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

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

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

The charitable company is known as Tudhoe Learning Trust.

Details of the Directors who served during the are included in the Reference and administrative details on page 1.

● **MEMBERS' LIABILITY**

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS**

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

The membership of the Board is as follows:

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

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

Details of the Directors who served during the year are included in the Reference and Administration Details on page 1.

Initially the Board of Directors was made up primarily of governors from Tudhoe Learning trust and the three chairs of governors from the other schools. As the Trust has grown further chairs of governors of the new schools have been appointed to the Board and the Tudhoe governors who have resigned have not been replaced. When required Members have invited other Directors onto the Board for their specific skills.

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

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

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **ORGANISATIONAL STRUCTURE**

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

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

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

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

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **RECRUITMENT/ SELECTION AND EQUAL OPPORTUNITIES**

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

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

Communication

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

Consultation

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

Performance Share Schemes

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

Economic Factors affecting the Trust

Our biggest risk is the reduction of pupil numbers which would currently reduce funding from the EFA. Changes in government policy could also affect the Trust

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and Activities

● **OBJECTS AND AIMS**

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

● **OBJECTIVES, STRATEGIES AND ACTIVITIES**

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

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

● **PUBLIC BENEFIT**

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

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

Strategic Report

● **ACHIEVEMENTS AND PERFORMANCE**

As of 1st September 2015, our Trust grew from 4 schools to 7. The 3 new schools were inspected in autumn 2014 and were all rated inadequate by Ofsted. We had planned for this level of growth and we developed our capacity further by some key appointments. A new Finance Manager & HR Manager were recruited to support the work of the Finance Director and an Early Years Champion was also appointed to support the work of the school improvement team. We also have developed a partnership with a team of Educational Psychologists to support us with our SEND provision across our schools, as this was an area we felt needed prioritisation. These appointments are having a significant impact on the education of our children and the running of the business.

We also developed a 5 year strategic plan, clearly identifying our vision, values and distinctive features. We are focused upon growing the MAT at the right pace, to ensure that other schools joining our Trust do not reduce capacity, which may have a negative impact upon our existing schools.

The three new schools are making progress and systems are in place for them to continue to improve. We developed a Peer Review system during this year, with senior leaders along with LA school improvement partners carry out focused inspections of each school. The model is developing well, as is the focus upon developing middle leaders & managers across the Trust.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **KEY PERFORMANCE INDICATORS**

Finances are secure, staffing is stable, and capacity for growth is strong.

End of KS2 results for the schools and the Trust were as follows:

Key:

A+ = % of pupils achieving expected standard or better

E = % of pupils exceeding expected standard

Comb = Reading, Writing & Maths Combined

ASS R = Average Scaled Score in Reading

Prog R = Progress score in Reading

	National		Acre Rigg		Shield Row		Dene House		South Hetton		Steph Way		Tudhoe Coll		Victoria Lane		TLT	
	A+	E	A+	E	A+	E	A+	E	A+	E	A+	E	A+	E	A+	E	A+	E
Reading	66%	19%	63%	18%	26%	4%	73%	22%	43%	3%	51%	15%	76%	28%	91%	32%	61%	17%
Writing	74%	15%	87%	24%	78%	13%	78%	16%	83%	23%	88%	29%	80%	36%	77%	14%	83%	23%
Maths	70%	17%	69%	25%	61%	4%	73%	16%	77%	10%	59%	2%	76%	24%	86%	23%	70%	16%
GPS	72%	23%	81%	25%	48%	4%	70%	11%	73%	10%	73%	22%	72%	32%	95%	18%	74%	19%
Comb	53%	5%	53%	9%	26%	0%	59%	11%	37%	3%	44%	2%	72%	20%	68%	9%	51%	8%
ASS - R	103		103		96		104		99		98		106		107		102	
ASS - GPS	104		105		100		104		102		104		107		104		104	
ASS - M	103		105		100		104		103		101		105		106		103	
Prog R	0		1.4		-5.7		1.1		-1.4		-2.6		1.4		6.7		0.1	
Prog W	0		3.6		1.2		2.1		3.2		4.9		2.9		2.3		2.9	
Prog M	0		2.7		-2.3		1.1		1.5		-0.8		1.5		4.4		1.2	

● **GOING CONCERN**

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **FINANCIAL REVIEW**

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

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

Total income was £14,049k and expenditure was £9,080k, giving a surplus of £4,969k. Included within this was £4,989k funds inherited on conversion, of which £6,068k related to fixed assets especially the school buildings and £(1,277k) relates to the pension deficit.

The provisions of FRS 102 relating to retirement benefits have been applied resulting in an increase in the pension deficit of £2,611k. The final deficit is now £5,425k.

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

At 31 August 2016 the net book value of fixed assets was £12,822k and the movements in the year are shown in notes 15 & 16. All the assets are used exclusively for providing education and associated support services to the pupils of the Trust.

At 31 August 2016 the Trust held fund balances (excluding the pension deficit) of £13,699k, comprising £13,139k of restricted fixed asset funds, £447k of restricted funds and £113k of unrestricted funds.

● **INVESTMENT POLICY AND PERFORMANCE**

The Trust invests surplus funds in an interest bearing account. The return on the investment is reviewed before the investment is made to ensure there is maximum return, whilst minimising risks to the sum invested. At the year end £164k had been placed on deposit.

● **RESERVES POLICY**

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

The main financial risk to the Trust is that of managing its short term cashflow efficiently. To mitigate this risk it has been agreed that an appropriate reserve balance would equate to 4 weeks worth of expenditure for each school, being approximately £389k.

In 2015/16 Victoria Lane Academy (£10,606) and Shield Row Primary (£42,534) had net deficits. In the short-term this will be funded through Tudhoe Trust reserves and it is anticipated that Victoria Lane Academy will contribute this amount back into reserves in 2016/17 and Shield Row Primary will be funded through a grant held by the Trust on the schools behalf.

The Trust currently holds unrestricted funds of £113k and General Annual Grant of £168k (see note 21).

The Trust has a pension deficit of £5,425k and there is a 17 year recovery plan in place. The Trust has been making deficit contributions for three years and plans to make future payments out of future income. Reserves will not be used to fund the deficit.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

● **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Trust is subject to a number of risks and uncertainties in common with other Academies. Procedures are in place to identify and mitigate financial risks. These are discussed further below and in the Governance Statement.

● **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties are centred around changes in the level of funding for DfE/EFA. In addition the Trust is a member of the Local Government Pension Scheme, which has resulted in the recognition of a significant deficit on the Trust's balance sheet.

In addition the Risk Audit carried out, identified and reviewed the following risk areas:

- Physical Assets
- Business Continuity
- Financial
- Technological
- Third Party Liability
- Environmental
- Legal & Compliance
- Market and Sector
- Personnel
- Political

The Trust now considers that there are systems in place that mitigate any of the risks identified.

There is a risk register that is reviewed by the leadership team and the Audit Committee, this is reviewed on an annual basis. The principal financial risks faced by the Trust is the ongoing pressure on funding resulting in a risk that deficits may be experienced. This has become more acute as funding from the D of E continues to reduce in real terms due to salary and other inflation pressures but funding remains the same in real terms. The risk in reduced funding is due to a drop in pupil numbers, proactive marketing is used in an attempt to increase pupil numbers.

The Trust maintains comprehensive insurance cover for all of its operations.

Effective internal controls are embedded within the Trust.

● **FUTURE DEVELOPMENTS**

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

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

End of Strategic Report

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

• **PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

Head Teachers and deputy Head Teachers pay will be determined by the Executive Head in conjunction with the Audit Committee and is performance related. Trust Directors will determine the pay range for a vacancy prior to advertising it.

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

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

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

AUDITORS

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

This report was approved by order of the Board of Directors as the company directors, on 15 December 2016 and signed on its behalf by:



I Whitfield
Chair

TUDHOE LEARNING TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Directors has delegated the day-to-day responsibility to the 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 Tudhoe Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Director	Meetings attended	Out of a possible
J H Smith, Chief Executive Officer and Accounting Officer	3	3
I Whitfield, Chair	3	3
J Price (resigned 10 June 2016)	1	2
L Moses	1	3
M Simpson	2	3
A Boustead	1	3
D Turner	3	3
D Bowes	3	3
S I Palmerly (resigned 9 June 2016)	1	1
R Robson (appointed 1 September 2015)	0	0
R K Hodge (appointed 1 September 2015)	0	0
J Temple (appointed 1 September 2015)	0	0

In relation to finance, the individual school governing bodies have the remit to run the schools according to the principals of the Trust but the setting and monitoring of the budgets is done at Trust level.

The Governance and Strategic Direction Committee was established in May 2015 by the Board of Directors and first met in October 2015.

The Governance and Strategic Direction Committee is a sub-committee of the main Board of Directors, along with the Executive Head and the Director of Business, Finance and Development. Its purpose is to review Strategic Direction and ensure Governance of the Trust is complied with.

The committee has been tasked with using the 21 Questions for MATs from the DfE to ensure systems are robust and a clear growth strategy is in place.

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GOVERNANCE STATEMENT (continued)

An audit committee has been put in place.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
J H Smith, Chief Executive Officer and Accounting Officer	3	3
I Whitfield	3	3
D Bowes	3	3
D Turner	1	3
M Simpson	3	3

Governance reviews:

Following a review of the Trust structure a Finance Manager and Human Resources Manager were appointed in September 2015, an Early Years Champion was appointed in January 2016 along with the contracting of Education Physiologists from January 2016. The Trust top slices 4.6% of income from our schools to fund central expenditure. A review is undertaken on an annual basis to ensure the capacity within the Trust enables us to fulfil our strategic direction.

REVIEW OF VALUE FOR MONEY

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

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

A review of utilities was undertaken by the Trust which resulted in changing providers and a 14% saving to the previous year being achieved.

The Trust introduced a cashless system in 2015/16, which has reduced the amount of time taken to count money and to bank. The end result has been a saving in invoice costs by removing the need for security to transport cash to the bank.

We have also reviewed the contracts for the 3 schools that joined the Trust in September and as a result changed the trade waste provider and photocopiers both of which produced savings.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Tudhoe Learning Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

THE RISK AND CONTROL FRAMEWORK

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

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

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

The auditors' role includes performing a range of checks on the Trust's financial systems. On an annual basis, the auditors report to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Directors on 15 December 2016 and signed on their behalf, by:



I Whitfield
Chair of Trustees



J H Smith
Accounting Officer

TUDHOE LEARNING TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Tudhoe Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.



J H Smith
Accounting Officer

Date: 15 December 2016

TUDHOE LEARNING TRUST
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Directors (who act as trustees of Tudhoe Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board of Directors on 15 December 2016 and signed on its behalf by:



I Whitfield
Chair

TUDHOE LEARNING TRUST
(A company limited by guarantee)

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

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

This report is made solely to the charitable Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Trust's members those matters we are required to state to them in an auditors' 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 Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of directors' responsibilities, the Directors (who are also the directors of the charitable Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

UNQUALIFIED OPINION

In our opinion the financial statements:

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

TUDHOE LEARNING TRUST
(A company limited by guarantee)

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report, incorporating the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Heather O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX
15 December 2016

TUDHOE LEARNING TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 4 April 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tudhoe Learning Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Tudhoe Learning Trust's funding agreement with the Secretary of State for Education dated 18 December 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

TUDHOE LEARNING TRUST
(A company limited by guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Heather O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
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15 December 2016